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NEWS SUMMARY

GENERAL

Two die as IRA renews attack

A woman prison officer and an Army cadet force officer were *killed in separate attacks by the IRA* in Northern Ireland.

The woman, and three others who were injured, were gunned down at point-blank range less than 20 yards from the women's prison in the centre of Armagh.

The cadet force officer was shot in Belfast after visiting an *injured soldier in hospital.* A cadet and a woman civilian were also injured in the attack. Last night a soldier injured in a recent IRA attack also died, bringing to 12 the number of deaths in the new campaign.

N-plant closed

The Dutch authorities shut down the country's *only* commercial nuclear power station, at Borssele in the south-west, after a fault developed in the turbine steam transmission system. Page 2

Smith votes

About half of Rhodesia's black and white electorate have voted, *including* Premier Ian Smith, and the 60 per cent target is expected to be reached or overtaken by tomorrow.

BR criticised

A big increase in complaints about British Rail and a deterioration in punctuality of trains occurred last year, according to watchdog group the Central Transport Consultative Committee. Page 8

Cairo death

A parcel bomb killed one person *and injured four* in Cairo as Egyptians voted in a referendum expected to show 100 per cent backing for the peace treaty with Israel. Page 4

Uganda law chief

Dr. George Kanyeihamba, a lecturer in law at Cardiff University, has been appointed as Uganda's new Attorney General. Meanwhile, Tanzanian troops expect to occupy Jinja, Uganda's second biggest town, some time today.

Mutiny charge

Mutiny and collaboration charges have been preferred against Major Saad Haddad, leader of the Right-wing forces who have declared an independent region in South Lebanon. Haddad's forces have sealed off their "free-Lebanon" enclave.

Threat to funds

Saudi Arabia, the United Arab Emirates and Qatar are considering cutting off funds for the Arab Organisation for Industrialisation, which is based in Egypt. Page 4

Libyan attack

Libyan troops have penetrated 300 miles into disputed territory in neighbouring Chad, where the new government is facing another threat—from Christians and others in the south who are considering declaring their areas separate from the Moslem north.

Winner Wigan

FT racing correspondent *Dominic Wigan continued in* winning form yesterday with four successful selections out of six at Newmarket. Starting prices were 13-2, 11-4, 8-13 and 9-4. Today's selections Page 22

Briefly...

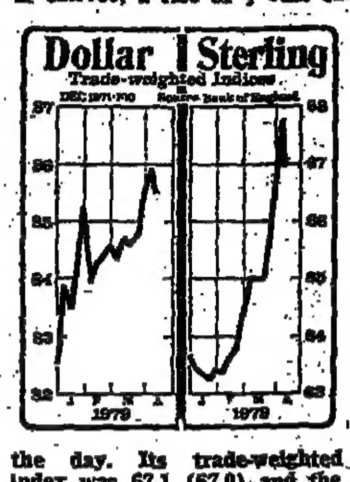
A young Austrian was seriously ill after being locked in a police *cell and forgotten for 18 days.*

Two Britons jailed in Lusaka have been accused by Zambia of planning to enlist as mercenaries in the Rhodesian air force.

BUSINESS

Sterling and dollar recover

● **STERLING and the DOLLAR recovered and the pound closed at $2.0780, a rise of ½ cent on** the day. Its trade-weighted index was 67.1 (67.0) and the dollar's index fell to 85.5 (85.6).



● **GILTS** reacted again to renewed profit-taking with mediums and longs closing at the day's lowest and some falls *stretching* beyond a point. Shorts ended with falls of up to ½ and the Government Securities index was down 0.28 at 74.54.

● **EQUITIES** followed gilts and the FT 30-share index closed 4.2 down at 530.2.

● **GOLD** rose $2¼ to $246¾.

● **WALL STREET** was up 0.79 at 860.97 before the close.

● **DUNLOP HOLDINGS**, *on the day its Speke tyre plant shut, reported a fall in pre-tax profits* last year from £57m to £43m, caused by serious losses in its European tyre operations. Pages 26 and Back; Lex

● **RENAULT AND PSA** Peugeot-Citroen, the French motor companies, have *responded* to the threat of a new Ford car assembly plant in *Lorraine*, by presenting the Government with their own job creation plan. Back Page

● **EEC COMMISSION** officials in Brussels said member states are near to signing a shipping code enabling developing countries to carry a greater share of cargoes. Back Page

● ***SHELL BOARD*** attacked a shareholders' resolution condemning the company's part in the supply of oil to Rhodesia. Page 8

● **BL's MINI** has come bottom *in West German tests on the* reliability of 77 models. More than 7m cars were inspected. Back Page

● **INDUSTRY DEPARTMENT** sent a draft copy of a directive instructing the National Enterprise Board to take over BL's *Prestcold refrigeration equipment subsidiary*, to the Board's chairman. Back Page

LABOUR

● **BRITISH RAIL** failed to clinch a pay agreement for 200,000 railway workers, in *spite of the anxiety of all three* rail unions to reach a settlement before the General Election.

● **SUPPORT** for the two-week strike by BL Cars craftsmen collapsed as workers voted in a series of mass meetings to return to work on Monday. Back Page

COMPANIES

● **RTZ**, the mining and industrial group, reports net profits *for* 1978 of £98.4m (£82.3m) before charges to cover the fall in *sterling's value.* Results, Page 29; Lex

● **ALUMINUM COMPANY OF AMERICA** reports net *income* in the first quarter more than doubled from $53.9m to $127.7m, because of boom conditions in the aluminium *industry.* Page 32

CHIEF PRICE CHANGES YESTERDAY

(Prices in pence unless otherwise indicated)

RISES

Ash and Lacy	156	+ 4
BB and EA	105	+ 13
Brown and Jackson	540	+ 40
Leadenhall Sterling	162	+ 10
Low (Wm.)	118	+ 14
Moss Bros.	235	+ 13
Oxley Printing	75	+ 3
Wilkes (J.)	79	+ 5
Bracken	73	+ 7
Welkom	286	+ 21
Western Holdings	£17½	+ ½

FALLS

Ex. 11 pc, 1991 (£15 pd.)	£13⅞	− ⅞
Ex. 12 pc, 1998	£100⅝	− 1½
Bakers Hsehld. Strs.	92	− 8
Bentalls	39	− 8
Blue Circle	340	− 8
Brent Walker	72	− 6
Brown (J.)	543	− 12
Clark (M.)	162	− 4
Clive Discount	104	− 3
Highgate Optical	25	− 5
Imperial Group	104½	− 2½
MEPC	177	− 4
Myson	73	− 4½
New Throgmtn. Cap.	198	− 10
Perry (H.)	167	− 7
Pilkington	375	− 8
Racal Electronics	468	− 12
Reed Intl.	184	− 6
Sime Darby	85	− 4
Tube Invs.	404	− 6
Burmah Oil	119	− 8
Hunting Petroleum	120	− 8
Siebens (UK)	238	− 12
BH South	86	− 6

Thatcher priorities are tax cuts and defence boost

BY RICHARD EVANS, LOBBY EDITOR

Mrs. Margaret Thatcher pledged last night that the highest priorities of an incoming Conservative Government would be to restore incentives to industry by cutting taxes, and to bringing the country's Armed Forces up to a minimum threshold for safety.

Her continuing emphasis on cutting taxation, particularly income tax, as the election campaign progresses is *showing* signs of rattling the Labour leadership.

Mr. Callaghan gave the clearest indication so far that a Labour administration would *also* consider a substantial switch from direct to indirect taxes.

The Prime Minister said at his daily news conference that he saw "*every reason*" *for* altering the balance so long as *there was a publicly expressed* desire for it. But he emphasised there was no way this could be a painless process.

There is every reason to believe that the Conservative Party is more identified with the pledge to *cut* income tax substantially and this is one of the *most effective elements in their* election programme. It was one of the items that Mrs. Thatcher hammered home most forcefully in a wide-ranging speech at Birmingham last night.

Her theme was that the Conservatives *would put the* incentive factor back into British industry fast. "We are not going to stand by and see excellence and effort frittered away by half-baked Government policies," she declared.

Labour's so-called industrial strategy, far from seeing industry through, was a strategy for defeat and failure. In contrast, the Conservatives intended to rebuild industries "on the rock-hard and well-tested foundations of incentives and profit."

Energy policies compared, Page 10
Election News, Pages 14 & 15
Politics today, Page 24
Editorial comment, Page 24

The weapons they would use would be cutting taxes to ensure *bigger rewards for skill, success* and responsibility. "We are *going to do it by creating the* conditions for real jobs, not artificial ones, so that once again the products stream from our factories."

Without the wind of change the Conservatives were offering there *could be no halting* Britain's industrial decline—and in the long term that could only mean there would be no reduction in unemployment.

Unemployment featured prominently in the political argument yesterday when Labour leaders, including Mr. Callaghan, Mr. Denis Healey, Chancellor of the Exchequer, and Mr. Michael Foot, the party's deputy leader, made considerable capital from the biggest drop in UK unemployment figures for six years.

The Prime Minister claimed the figures as no fluke, but a vindication of Labour's economic and industrial strategy, *particularly the jobs* programme. He was content to let Labour's case be judged on the facts.

Mr. Healey argued that the massive fall was proof that Labour's policy was effective at providing jobs whereas the Tory plans to slash aid to *industry and abolish* job protection schemes were bound to throw thousands on the dole.

In contrast, Mr. James Prior, Conservative employment spokesman, said any drop was welcome but there were no

Continued on Back Page

Money supply falls, but bank lending buoyant

BY PETER RIDDELL, ECONOMICS CORRESPONDENT

THE UNDERLYING rate of growth of thhe money supply has slowed substantially following very large sales of Government debt. But bank borrowing *by the private sector. remains* buoyant.

Bank of England figures published yesterday show that sterling M3, which includes cash and bank current and *seven-day* deposit accounts, fell by 0.8 per ment in the month to mid-March on a seasonally adjusted basis.

Over the first five months of the latest target period to October sterling M3 rose by roughly 4 per cent. This is equivalent to an annual rate increase of roughly 10 per cent, compared with the target range of an 8 to 12 *per cent rise.*

This represents a substantial deceleration compared with the underlying rate of growth of 16½ per cent reported only two months ago.

The main reason for the *change is the very large sales* of Government debt outside the *banking* sector to financial institutions and the public. This amounted to £1.3bn last month, compared with £933m in February.

A big contributor has been sales of gilt-edged stock—£510m net in March. Further gross sales of nearly £1bn will show up in the figures for the April banking *month* just ended.

A big impact last month was made by sales of Certificates of Tax Deposit totalling £653m. These are high yielding *investments for taxpayers.* However, some of these certificates are *likely to be surrendered as investors* pay their tax bills. The pattern of sales is erratic and is not reflected in the seasonal adjustment. Consequently the growth of the money supply may now be slightly understated.

Another favourable influence last month was the highly unusual small surplus (£52m) of the central government.

A more worrying development was the continued *buoyancy of* bank lending in sterling to the *UK private sector*—up £830m after a £995m rise in the previous month. This may be partly explained by the lingering impact of the industrial disputes at the beginning of the year and by distortions to the balance between *public and private sector* transactions. But this still leaves a large unexplained element.

The extent of the recent rise in lending explains why the authorities are reluctant to reduce interest rates any further.

However, the big sales of Government debt resulted in a *contraction in domestic credit* of £262m last month. This was in marked contrast to the expansion of £2.8bn in the previous three months.

The big recent inflows of foreign currency from abroad have not yet worked through to sterling M3 but have shown up *in a £333m rise in overseas residents'* sterling deposits. But this may affect sterling M3 to some extent from now onwards.

Monetary aggregates table, Page 8
(Lex Back Page)

Union rejects Times arbitration

BY ALAN PIKE, LABOUR CORRESPONDENT

THE NATIONAL Graphical Association yesterday rejected arbitration as a soluton to the Times Newspapers crisis, leaving the position still deadlocked *after nearly five months* without publication.

About 3,000 dismissed employees who were temporarily re-engaged while peace talks *took* place are now due to leave the payroll again, and picketing of *Times Newspapers' London* premises is likely to begin. But the NGA will first seek to coordinate this with other unions.

Yesterday's NGA executive decision to reject arbitration as a way of deciding whose members *should operate a computer-based* composing system was unanimous.

The union believes that it would undermine its own existence if it conceded to company demands that journalists and advertising staff should share composition work now done exclusively by its members.

A Times Newspapers spokesman said the decision was disappointing but not entirely unexpected. "They have rejected every proposal we have made."

Mr. Les Dixon, NGA president, said after yesterday's meeting that the union was not prepared to compromise on a principle which had been accepted in Fleet Street by the Observer, Express and Mirror group managements.

"I *don't* know where we go from here, because the Times Newspapers Board has locked us out."

It was made clear last night that Mr. Albert Booth, Employment *Secretary*, who produced the formula which started the Times peace talks, was prepared to intervene again if he could be of further help.

Mr. James Callaghan said yesterday that he had been in touch *with* Mr. Booth about the Times dispute, but added: "Basically, the parties will have to solve their own difficulties. There are limits to what the Government can do."

At this stage it appears that common ground between unions and management has been exhausted.

At yesterday's executive meeting, Mr. Dixon reported on the abortive discussions between the NGA and Times *Newspapers in* an unsuccessful bid to reach agreement.

He said the union was pre-

Continued on Back Page

Workless drop biggest for six years

BY DAVID FREUD

THE BIGGEST drop in unemployment for six years was recorded last month. However, the underlying improvement now appears slower than during most of last year.

The Department of Employment said yesterday that hte *number of adults out of* work fell by 39,500 to 1.31m in the month to mid-April on a seasonally adjusted basis. This was equivalent to 5.5 per cent of the national work force.

The monthly drop was the largest since the 40,000 in February 1973. It brings the adult unemployed total down to the lowest level since October 1976, *and some* 124,000 below the post-war peak of September 1977.

The pattern in the past four months has probably been affected by the strikes and bad weather of the winter, followed by some *degree* of catch-up.

This may account for some of the 41,800 increase in adult unemployment in January and *February, which was more than* counterbalanced by a 51,600 drop in the subsequent two months.

In the four months as a whole the number of unemployed dropped by an average of only 2,450 a *month*, a substantially slower rate than the monthly average of 8,500 in the previous year.

A similar pattern is evident in vacancies, generally regarded as a reliable indicator of labour *market activity.*

Vacancies notified to employment offices, estimated at about a third of the total, rose 12,700 to 249,700 in the latest month on a seasonally-adjusted basis. This was the highest level since *November 1974.*

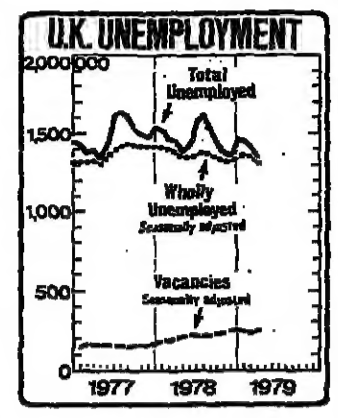
Nevertheless, in the past four *months vacancies have increased* at an average of 4,625 a month, compared with the 5,500 average in the previous year.

The picture of a slowing in the rate of improvement is supported by a steady decline in *both the inflows to the vacancies* register and the outflows from the unemployment register since the autumn.

Such an interpretation would be in line with the stagnation in industrial production, where there has been little overall growth, according to official statistics, since the end of last summer.

Relationship between production and employment is not as clear as it used to be. In recent years the underlying rate of growth of productivity has been lower *than in the 1960s and* early 1970s.

The trends were little influenced by Government



measures to preserve jobs. These were estimated to have kept 176,000 off the registers in April, about 2,000 less than in the previous month.

The number of school-leavers *out of work has fallen by 5,330* over the month to 25,820, compared with 60,800 a year *ago.* This year's figure did not include the 68,800 teenagers who left school at Easter, whereas last year's figure did.

The unadjusted UK unemployment total dropped by 61,660 in the last *month* to 1.34m which is 5.9 per cent of the work force. The drop in Great Britain was 60,000 to 1.28m, or 5.5 per cent of the work force.

Regional Map, Page 10

Engineering orders drop

By Our Industrial Correspondent

A SHARP fall in new orders for the engineering industry in January is shown in official figures in Trade and Industry today. This seems to have been *brought* about largely by industrial disruption, notably the lorry drivers' action, and the weather.

These affected the quarterly trend to the extent that orders fell by 4 per cent between *October and January against the* previous three months, reversing the upward trend toward the end of last year.

The Department of Industry expects much of the shortfall to be made up in later months.

£ in New York

—	April 18	Previous
Spot	$2.0710-0715	$2.0840-0850
1 month	0.40-0.35 dis	0.29-0.24 dis
3 months	0.80-0.75 dis	0.56-0.51 dis
12 months	2.05-1.95 dis	1.46-1.36 dis

U.S. GNP growth rate slows

By David Buchan in Washington

U.S. gross national product grew at an annual rate of only 0.7 per cent, in the first three months of this year, a turnround greeted by the American Government as "a genuine slowdown" from the fast pace in the last quarter of 1978 and a welcome development in the fight *against inflation.*

Mrs. Juanita Kreps, the U.S. Commerce Secretary, said yesterday that the January-March slowdown in the value of goods and services produced was partly due to bad *winter weather, hitting housing* in particular. But it would persist, she said. "Some slowing of growth at this time is not unwelcome."

The GNP news takes the pressure off the Federal Reserve *Board to tighten further its* monetary policy.

The Fed has resisted such calls and this week showed no sign of tightening its policy.

Mrs. Kreps forecast GNP growth would pick up in the second three months of 1979—but not to the degree it did in the same period last year, because both housing construction and consumer spending were weaker now than in 1978. The Administration still stuck to its overall GNP growth forecast for this year of 2 per cent, with the economy again slackening in the past six *months*—a trend that the country's major partners accept as necessary if the U.S. inflation rate is to be curbed.

"The source of major concern," Mrs. Kreps said, was inflation which, according to the GNP price index rose at an annual rate of 9.5 per cent in the first quarter—a full percentage point above the 1978 inflation rate.

The villains were energy prices, rising at an annual 17 per cent rate between January and March and expected to continue doing so, and food prices. These were up at an annual rate of 19 per cent, but the Commerce Secretary saw hope that that rise, might soon decelerate.

Hourly wage increases, excluding social security tax and *minimum* wage increases, were an annual 7.5 per cent in the last quarter—below the 1978 rate and only a shade above President Jimmy Carter's voluntary wage guideline. This trend may, however, not survive the impact of the recent high pay settlement given the teamsters truck drivers unions.

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For latest Share Index 'phone 01-246 8026

EUROPEAN NEWS

Defect closes Holland's main nuclear power plant

BY CHARLES BATCHELOR IN AMSTERDAM

THE DUTCH authorities yesterday shut down the country's only commercial nuclear power station after a fault developed in the turbine steam transmission system.

The 450 MW reactor at Borssele, in the south-west Netherlands, is expected to be out of action for five to 10 days, the electricity authority for the province of Zeeland said.

The decision to shut the power station came less than two weeks after Mr. Willem Albeda, Social Affairs Minister assured Parliament, in the wake of the accident at Harrisburg, U.S., that he saw no need for any immediate action in Holland.

The Government is expected to present its conclusions on the Harrisburg incident within the next few days, after a visit to the U.S. by two Dutch nuclear experts.

The provincial authorities stressed that the problems at Borssele—the reactor is of a similar type to that at Harrisburg—were not connected with the nuclear process.

Borssele is situated about 12 miles west of Flushing and Middelburg, and about 40 miles from Antwerp.

Holland's only other nuclear power station is an experimental reactor at Dodewaard, near Nijmegen. Construction of three other nuclear power plants agreed in principle in 1974-75 has been stayed by the present Government, pending a "public debate" of nuclear energy, expected to take two years.

The Government is also investigating if nuclear waste could be stored in salt domes in the north-east of the country, and the general safety aspects of nuclear power.

It is due to present an outline of its energy policy for the coming decades on June 1, while a policy document covering nuclear energy is promised for the autumn.

Economy continues to recover

BY OUR AMSTERDAM CORRESPONDENT

THE DUTCH economy continued the slight recovery noted in the third quarter of 1978, into the final three months of the year, the central bank says in its latest review.

Increases occurred in exports and manufacturing production levels.

Tests of business opinion disclosed an improvement in the order and stock position of manufacturers of semi-finished products. But the overall climate in this sector remained unsatisfactory.

The order and stock position of consumer and capital goods producers was still unfavourable, with a worsening in the consumer sector.

The building industry was fairly stable and production relatively high when the early start to the winter was taken into account.

Private consumption continued at the same fairly good rate noted in the preceding three quarters. Except for the building industry, where unemployment rose because of the winter, industry generally increased its demand for staff.

This did not, however, prevent an increase of 3,500, to 211,000, in the numbers out of work in the six months to February this year.

Wage agreements signed when the central bank's report was prepared in mid-March were characterised by basic increases of between 0.5 and 1 per cent, by an extension of early retirement schemes funded fully or partly by the employers, by increases in the length of annual holidays, and by compensation for price rises.

Export volume rose 3 per cent in the final quarter of 1978 against a 4 per cent rise in imports. This worsening of the trade balance was partly due to developments in the energy balance.

Excluding oil and gas, exports and imports both rose 2 per cent. Export prices, expressed in guilders, fell slightly, while import prices were unchanged.

Soviet plan to unify Comecon

BY PAUL LENDVAI IN VIENNA

THE SOVIET Union appears to have resurrected a controversial grand design to co-ordinate and determine the annual plans of the Comecon member-States.

This impression emerges from an interview given by Mr. Konstantin Katushev, Soviet deputy Premier in charge of Comecon, and published in Rude Pravo, the Czechoslovak party paper, yesterday

Mr. Katushev said experts were drawing up a united plan for all Comecon. The plan, the effect of which will go beyond 1990, will cover economically-justified claims of the member-States, and cover a "comprehensive mobilisation" of the community as a whole.

Mr. Katushev's comments are likely to encounter vigorous Romanian reaction. Ever since Nikita Kruschev's grand design for a Comecon supranational plan, Romania has stuck to the so-called "interested party" principle, under which no Comecon member-State can be forced to accept majority decisions.

The report seems to indicate renewed Soviet pressure for closer co-ordination within Comecon,

Reuter reports from Belgrade: Yugoslavia has the right to pursue its own Communist path independent of Moscow, President Tito declared here yesterday.

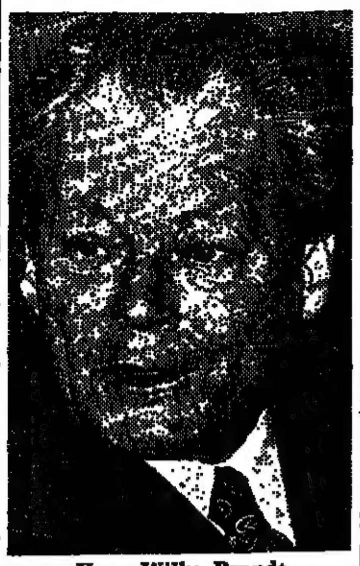
Referring to "worsening relations" between East and West, he warned against big-power interference in the affairs of non-aligned States.

Christopher Bobinski adds: House searches and detentions of Polish human rights activists continued yesterday after an explosion on Tuesday night damaged a statue of Lenin in the centre of the Krakow industrial suburb of Nowa Huta.

Brandt calls for SALT agreement

By Jonathan Carr in Bonn

HERR WILLY BRANDT, leader of the West German Social Democratic party, has made a strong appeal for a successful end to the SALT-II talks between the Soviet Union and the U.S.



Herr Willy Brandt

It would be close to a catastrophe if a SALT accord did not emerge, Herr Brandt warned here yesterday.

He urged U.S. Congressmen not to leave President Jimmy Carter alone on the issue, but to ratify the accord once it had been signed by Moscow and Washington.

Herr Brandt said he felt progress in the East-West force reduction talks in Vienna could well come within a year after the SALT pact is signed.

He believed that any standstill might be connected with uncertainty over SALT.

Herr Brandt's comments mark a further stage in the increasingly urgent advocacy of a SALT accord by the ruling West German coalition.

Bonn has reservations about some aspects of the agreement, but fears that failure to ratify the pact could mean a serion ssetback for detente, and West Germany's own efforts to improve relations with the East.

SPECULATION IN the West about a possible shift in the Soviet attitude toward reunification of Germany has been denounced by Mr. Piotr Abrassimov, Soviet Ambassador to East Germany, Leslie Colitt writes.

West Germany motor industry reaches record daily output

BY GUY HAWTIN IN FRANKFURT

WEST GERMANY'S motor industry in March reached its highest daily production rate on record. For the first three months as a whole output of cars and estate vehicles was 5 per cent up on hte comparable month of 1978, while commercial vehicle production moved ahead by 19 per cent.

The daily production rate averaged 19,218 vehicles. This compares with the previous high of 19,504 recorded in June, 1971. Altogether March saw the production of 391,300 car and estate vehicles and 31,500 commercial vehicles.

In comparison with March last year, car and estate vehicle output was up 13 per cent, while commercial vehicle production was up by 42 per cent. But the growth rate was distorted by the metal industry strike which affected 1978's figures severely.

Even so, the figures—reported by the motor industry's Trade Association (VDA)—show that the German car boom is far from past. Output during the first quatrer totalled 1,106,900 cars and 88,700 commercial vehicles, compared with the 1978 total of 1,049,342 and 74,788 respectively.

Domestic demand, which declined during the first two months of the year, strengthened again in March. According to the VDA, the March increase in orders compared with the February total was well beyond the seasonal average.

Exports during March amounted to 190,900 cars and estates and 17,700 commercial vehicles. This compares with 175,902 cars and estate vehicles and 14,918 commercial vehicles in March 1978. The export total for the first quarter amounted to 576,800 vehicles of all types and this figure was 5 per cent up on the 1978 performance.

On the orders side, however, the situation remains unsatisfactory. Domestic orders for car and estate vehicles lie 2 per cent under the level of the previous year. Bookings for commercial vehicles, however, were maintained at 1978's level.

Export demand, on the other hand, is relatively buoyant. Motor car and estate orders from abroad are showing a 9 per cent increase on first quarter 1978, while bookings for commercial vehicles are 5 per cent up on the extremely low level of first quarter, 1978.

Spanish mayors shift to Left

BY ROBERT GRAHAM IN MADRID

MORE THAN 20m Spaniards—as from yesterday—live in municipalities with Left-wing or nationalist mayors.

This follows an historic agreement between the Socialists and Communists on joint support in the municipalities on Wednesday, and yesetrday's election of new mayors.

Both parties are committed to making their capture of the country's major municipalities, especially Barcelona and Madrid, a political showpiece.

It is the first time a change of style in local administration has occurred since the civil war. Of the country's 8,041 municipalities more than 75 per cent are in the hands of the ruling Union de Centro Democratico (UCD) as a result of the April 3 municipal elections.

But this all represents small towns, many of which were uncontested. The Socialists and Communists concentrated their efforts on centres with populations of more than 10,000.

As a result, the Left and the Nationalist parties will be running 1,800 municipalities, including the country's 20 biggest.

The agreement between the Communists and Socialists is the first written biparty agreement on political co-operation since the two parties were legalised.

To some extent, the agreement has been made inevitable. Without the parties' mutual support, UCD candidates would have been elected mayors.

The agreement pledges the two parties to work out a common programme of action for reforming and running the municipalities. It also commits them to act together to oppose any Government blocking move regarding the municipalities.

The main question posed by the agreement is how far this will affect Parliamentary co-operation. The communists are likely to be the main beeficiaries, as the agreement forms part of their strategy of a unified Left. But the Socialists, at a national level, have not endorsed such a strategy.

Irish banks upset likely

BY OUR DUBLIN CORRESPONDENT

LEADERS OF the Irish Bank Officials' Association meet today to consider the results of a ballot of the association's 16,000 members.

The ballot seeks approval for industrial action in support of a pay claim based on the increased work brought about by the break in parity between the Irish and British currencies.

The ballot is expected to endorse strongly the executive's request for industrial action, short of a strike.

The most likely outcome is that the association's members in the Republic, Northern Ireland and Britain will refuse to handle sterling transactions.

No official claim is being made, but it is reliably understood the association thinks a 30 per cent increase would be appropriate. This would include 10 per cent to cover Ireland's entry into the European monetary system and 20 per cent to cover the break in the link with sterling.

It seems unlikely that an early strike or a closedown of the banks will be called but a refusal to handle sterling transactions would be a serious problem for many businesses, already hard hit by the nine-week-old postal strike.

Ultimately, the banks would have to consider closing if the industrial action were prolonged.

It is expected that the bank's joint industrial council will meet next week to consider the situation. But the council has already ruled that substantial monetary compensation is not the right way to deal with the problem.

Moro case suspects face quiz

By Paul Betts in Rome

ROME MAGISTRATES investigating the kidnap and murder of Sig. Aldo Moro, the late Christian Democrat leader, are due to interrogate Sig. Toni Negri, a professor of Padua University, today.

Sig. Negri and 11 other members of the extreme left-wing ideological movement known as "Workers' Autonomy," were arrested earlier this month following police searches in a number of Italian cities, particularly Padua.

The arrests followed months of investigations by magistrates and anti-terrorist police, who apparently claim they have penetrated the top echelons of political extremism in Italy.

Apart from that of Sig. Negri, 45, the most prominent arrests include another ultra left-wing university lecturer and intelectual, Sig. Oreste Scalzone, a leader of the Workers' Autonomy movement.

Magistrates have maintained a rigorous silence about the latest developments concerning the anti-terrorist operations.

During the past few days, speculation has grown that leaders of Workers' Autonomy have direct links with the Red Brigades, the terrorist group which claimed responsibility for killing Sig. Moro, and with other extreme left-wing movements, like Prima Linea and Nuclei Armati Proletari.

The magistrates and police are believed to base their charges of revolt against the state on alleged documents found in Red Brigades hideouts, and on four witnesses.

Sig. Negri and the other arrested ultra-left sympathisers have denied the charges against them. Their lawyers have formed a committee to obtain their release.

Meanwhile, in Milan, Sig. Andrea Campagna, 25, a member of the Digos anti-terrorist police force was shot dead yesterday. No group has so far claimed responsibility.

● All Fiat plants in the northern region of Piedmont including the car group's main production centres in the Turin area, were temporarily halted yesterday, after a four-hour strike by members of the Italian engineering and metal workers' union.

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Two cheers for the dollar

David Marsh, recently in Basle, explains why central bank governors fear that the recent rise in the value of the dollar is not wholly justified by the state of the U.S. economy.

"THE WEAK have become the strong." That was how one central bank governor at the monthly central bankers' meeting at the Bank for International Settlements in Basle last week summed up the surprising strength of the dollar, sterling and lira on foreign exchange markets in the first few months of this year. He might have added: "But for how long?"

For the monetary authorities of the hard currency countries, West Germany, Japan and Switzerland, are concerned that the dollar's *sharp climb—which in* turn has been the main reason for the recent firmness of the other "weak" currencies and for the smooth start-up of the European Monetary System—has gone further than justified by fundamental economic factors.

Since the start of the year the dollar has gained some 11 per cent *against the yen*, 8 per cent against the Swiss franc, and 4 per cent against the Deutsche Mark, although it has weakened in the last few days from the highs reached earlier this month. Foreign exchange market confidence in the U.S. currency has surged since *President Carter announced the* momentous package of dollar defence measures on November 1 last year. In addition, the Administration has started to put together the beginnings of an energy programme, and has had some success in reducing the current account deficit.

But central bankers, naturally cautious people, are worried that the U.S. economy still seems to be expanding at a rate too fast for comfort, with inflation—now running at an annual rate of 14 per cent based on wholesale prices over the last three *months—showing no signs of* slowing down. To try to prevent the dollar rising to a point where it becomes conspicuously overvalued, the central banks of West Germany, Switzerland and Japan since the beginning of March have made substantial net sales of dollars, estimated at around $7-$8bn. The action has been coordinated with the New York Federal Reserve Bank, which has also emerged as a large net seller of dollars, showing that the U.S. authorities, too, share the fear that the dollar is rising too far, to fast.

Anxieties over the U.S. inflation rate are compounded by the fact that West Germany and Japan, through raising their bank rates for the first time since 1973, have started to tighten monetary policy in a bid to choke off an upturn in their own inflation rates *threatened by a sharp increase* in wholesale prices this year. *Higher* interest rates in these countries, as well as in Switzerland, where the authorities have also inaugurated a monetary squeeze, may before long precipitate a reversal of the dollar's strength.

Certainly, though, if there is to be further pressure on the *Dollar, the U.S. authorities will* have ample resources to defend it: *The New York Fed has used* the turn-round in speculative movements against the dollar over the last three months to buy enough D-marks and Swiss francs in the market place practically to repay all the $6 to $7bn short term "swap" credits it raised from the Bundesbank and the Swiss National Bank under the November intervention agreements.

According to the Bundesbank, the foreign exchange market's realisation of the amount of *ammunition now available to* protect the dollar, together with the fact that the hard currency countries, too, have been hit by the OPEC oil price rice, have been the main factors buttressing the dollar in recent weeks. Expectations of large short term exchange rate changes have been dulled, so interest rate factors have come to the *fore—explaining why the currencies of high-inflation countries, supported by high* interest rates, presently rule the roost.

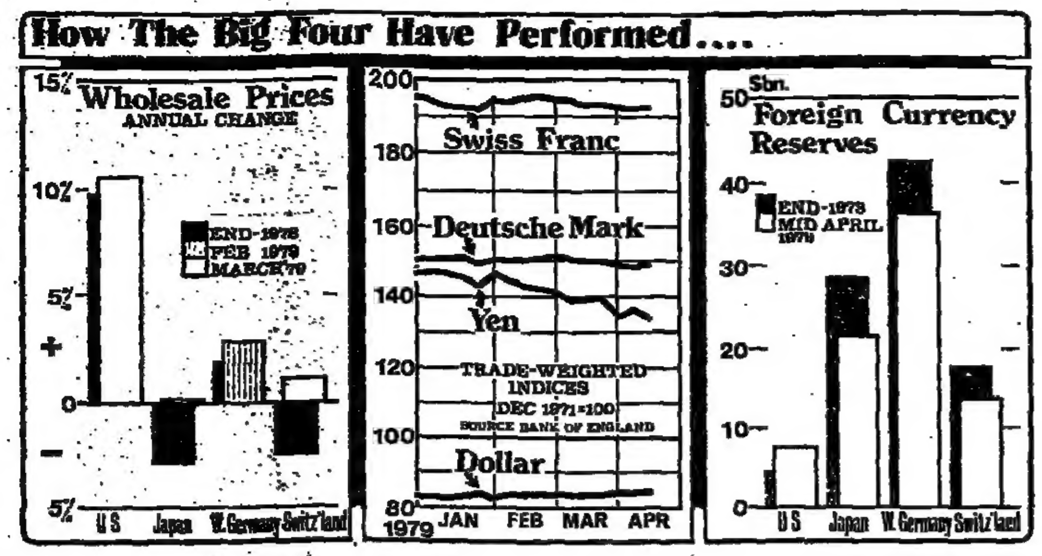
The other factor helping the "weak" currencies has been what Professor Alexandre Lamfalussy, head of the monetary and economic department at the BIS, calls "one of the most encouraging aspects of the past six months—the move towards international balance of payments equilibrium." In an *interview with the Financial* Times in Basle last week, he said that the U.S. current account deficit was now running at an annual rate of only about $7bn. The main counterpart of this had been the rapid reduction in Japan's surplus.

But Professor Lamfalussy said he was concerned at the inflationary impact of the recent *OPEC oil price increase.* "At a time when the Deutsche Mark *and yen have been weak,* the dollar price rise in commodities over the last *few months has* worked through very quickly into domestic price rises in West Germany and Japan, where the authorities are very sensitive to inflationary threats and have already decided some credit tightening measures."

Apart *from* providing the seeds of possible instability of the dollar, rising world inflation also threatens the EMS. According to one Bundesbank directorate member, the calm in the first six weeks of operation of the EMS, with the Deutsche Mark in the lower half of the system and the "weak" lira, Danish crown and Irish pound *all near the top, "was just what* we expected." The Bundesbank believes it will take about six months for inflation differentials to work their way through in the form of pressure for a devaluation of one of the weaker currencies like the lira or the French franc.

But despite the potential storm clouds ahead, monetary officials in Basle are not unduly pessimistic about the dollar. *They* stress that the clash between continuing high inflation *in the* U.S. and *stringent* monetary tightening in Germany and Japan is only the most extreme scenario. The best possible outcome, which would allow the dollar and the other weak currencies to undergo a gentle, *controlled decline* over the year in response to the basic *divergences* in *inflation rates*, would be a fairly mild recession in the U.S., and only gradual credit tightening action in Germany and Japan.

There is one important factor on the horizon likely to restrain the German and Japanese authorities from embarking on too tough an anti-inflationary course—the forthcoming seven-nation economic summit in Tokyo in June, at which both countries, above all Japan, will be anxious to avoid criticism that they are putting a dampener on their own domestic *economic recoveries*.



THE THAI ELECTIONS

No contest for Kriangsak

BY RICHARD NATIONS IN BANGKOK

DESPITE TWO years of martial law, the return of Thai voters to the polls on Sunday promises to be a half-hearted affair. The parliamentary campaign now limping to a close has been a weary one—far less than half the eligible voters are expected to turn out—and even the politicians betray a sense of irrelevance.

The prime cause for this apathy is the constitutional com*promise which compels the* political parties to share power unequally with the military regardless of the election results. Only the lower house of the 300-seat parliament will be popularly elected. The upper, and constitutionally more powerful, house of 225 senators are to be appointed by the present Prime Minister Kriangsak Chomanan.

General Kriangsak denies vigorously that the constitution was tailor-made to return him to power. None the less, this is the conclusion drawn by most involved here in politics. *General Kriangsak is not him*self running for election, but the constitution provides that the next Prime Minister may be *appointed from outside Parlia*ment. The President of the senate will nominate the next Prime Minister for appointment by the king and the cabinet must face votes of confidence before the combined houses. The fact the Kriangsak appoints the senators does not guarantee that they will reciprocate and appoint him premier in return. But it gives *him more than an* edge over anyone who hopes to come to power in an electoral contest with 36 other political parties and innumerable independents competing for only just over half the seats in the legislature.

Faced with the ground rules, *most parties have given up any* ambition of forming a govern*ment at all. The country's* oldest and largest party, the Democrats, have already declared their intention to lead the opposition to agitate for amendment of the undemocratic clauses in the constitution. They are expected to win about 100

PRIME MINISTER KRIANGSAK CHAMANAND

votes. Most other parties, however, have accepted the compromise, and are aiming for a minor role in a coalition government which they assume Kriangsak will lead. As a result the candidates have criticised each other rather than attack Krian*gsak and his government's record.*

Only Kukrit Pramoj is projecting himself as an alternative to Kriangsak. As a former Prime Minister of a democratically-elected government (March, 1975-April, 1976) which at least made genuine efforts to introduce social reforms, Kukrut enjoys wide popularity. But his Social Action Party is banking *on a windfall of rural votes* based on fond memories of his government's direct development grants to local authorities by-passing the bureaucracy—"getting corruption down to the grass roots" as *Kukrut himself* characterised his Tamboon council scheme.

Kriangsak is expected to *appoint a number of* reasonably clean and respected figures to the Senate. But the traditional conservatism and anti-democratic characteristics of Thailand's appointed legislators will be difficult to overcome.

Many dread that the undemocratic provisions of the consti*tution may also make it unwork*able. This would particularly be so if the legislature is polarised between a government of appointed soldiers, bankers and technocrats, and a parliamentary opposition of popularly elected political parties. Most Thais assume the army would *put an end to it all in less than* a year with Vietnamese troops pressing close to the Thai border in neighbouring Cambodia, and the oil price hike threatening a disturbing round of inflation. But a return to democracy and domestic reform were the first promises Kriangsak used *to justify his coup against the* illiberal régime of civilian Premier Tanin Kraivixien in October 1977.

Kriangsak's achievements in foreign policy are hailed here almost universally. But he has little to show where most is demanded of government—poverty, *land reform and rural* insurgency.

Kriangsak prefers to rule by consensus and enjoys popularity. But after a year of mildly relaxing martial law he needs to renew his mandate. Sunday's elections may have been designed merely to make Kriangsak's continued stay in office more legitimate. They will also *make the frustrations and social* contradictions of Thai society less avoidable.

Portugal postpones fuel price rise

BY JIMMY BURNS IN LISBON

A WORRYING trend in inflation appears to be behind yesterday's decision by the Portuguese Government to postpone an immediate increase in fuel prices, as had been threatened.

Figures released by the National Institute of Statistics show consumer prices in Portugal increased by 1.7 per cent last month, representing an *annual rise of 23.1 per cent.*

The biggest increases were in *food and beverages, which rose* by 2.9 per cent and 2.4 per cent respectively.

Inflation is running higher than last year, where it ended at 22.2 per cent, and is now way above the 18 per cent target the Government originally set for 1979.

Sr. Repolho Correia, Minister for Trade and Tourism, announced after a lengthy Cabinet meeting that the *Government would not increase* fuel prices until the impact of such a measure on the economy had been properly studied.

Only last week, the Minister had suggested that petrol in Portugal would have to go up by 13 or 14 per cent, maintaining Portuguese Super Grade at 35 escudos (£0.34) a litre the most highly priced in Europe.

The Government recently announced a new "shopping basket" list, holding administered food prices to increases of 18 per cent, but its overall fight against inflation *is* expected to be further aggravated *by the continuing confusion on* the labour front.

The Government's proposed 18 per cent ceiling on salary increases in 1979 has been rejected by the unions, who feel threatened by a substantial fall in real wages for the second consecutive year.

Holidays hit French output

By Brij Khindaria in Geneva

FRANCE LOST FFr 350m *(about £40m) in industrial and* other production in 1977—the latest available figures—because of the annual two-months holiday shut-down during July and August, an analysis by the International Labour Organisation (ILO) shows.

The fall in the French industrial production index in August was six times greater *than in West Germany, and* 22 times greater than in the U.S.,

Helsinki coalition impasse

By Lance Keyworth in Helsinki

NEGOTIATIONS to form a new coalition Government commanding a Parliamentary majority are taking the leisurely course expected after the Finnish General Election last *month*.

Mr. Harri Holkeri, Conservative Party chairman, yesterday reported to President Urho Kekkonen that he had failed to find the political will among the parties to form a viable govern*ment "in this phase."*

The President assigned Mr. Veikko Helle, deputy speaker of Parliament, to take over negotiations where Mr. Holkeri left off. Mr. Helle is also authorised to discuss the question of a pro*gramme for the future* Government. No time limit was imposed on *his* assignment.

The chances of the Conservative Party being included in any new coalition Cabinet, despite its impressive gains in the elec*tion, seem slim. The Left-wing* parties, the Social Democrats and the Communists, still refuse to co-operate.

Egyptians vote on treaty

BY ROGER MATTHEWS IN CAIRO

Egyptians voted yesterday in a national referendum on the peace treaty with Israel which, when the results are declared later today, are certain to show nearly 100 per cent in favour. The 10m electorate is also being asked to approve the dissolution of parliament and the holding of fresh general elections along with other proposals from President Anwar Sadat for "enhancing democracy" and reorganising the state.

Since the announcement of referendum eight days ago there has been little campaigning by the Government, although President Sadat addressed the nation on television and made three lengthy speeches in which he vigorously attacked opponents of the peace treaty.

Mr. Sadat's main political aim is to demonstrate to the majority of the Arab world, which has agreed on a political and economic boycott of Egypt, that the country solidly supports his policies. At the same time he is seeking to show, especially to the U.S. and other western countries, that Egypt is the most politically tolerant and democratically-minded member of the Arab community and therefore worthy of further substantial economic support.

There was little evidence of public enthusiasm for the referendum in Cairo yesterday, in large part because President Sadat has never in the past failed to secure less than 95 per cent approval. Voters may register their votes at any of the 37,000 polling stations ruling out the necessity of electoral lists.

Mr. Fikry Makran Ebeid, Secretary-General of Mr. Sadat's National Democratic Party, said that he anticipated a huge turnout and that, despite the fact that the peace treaty had already been ratified, President Sadat had decided on the referendum "to assert still further its legitimacy."

The instruments of ratification are due to be exchanged with Israel at the U.S. early warning station in Sinai on April 25. The ceremony was postponed from the coming weekend because of public holidays.

National Democratic Party officials also stressed yesterday that although the referendum will approve greater freedom for the setting up of new political parties to fight the general election this will not apply to those already ruled out of political life by the last referendum in 1978.

In effect this bans the "communist" left, any party based solely on religion and any organisation that was operating before the 1952 revolution. These three categories are precisely the ones which might be capable of mounting a more effective opposition to the present government.

Saudis bow to the militants' wind

BY RICHARD JOHNS

THE ULTRA-SECRETIVENESS of Saudi Arabia's ruling hierarchy and the obscurity of a decision-making process involving at the most only two dozen of several thousand princes inevitably engenders speculation. As in other closed societies, distilled rumour tends to become accepted truth. Thus, some conclusions—some warranted and others not—were bound to be drawn from Crown Prince Fahd's departure to Spain for medical treatment and rest while Arab foreign and economy ministers were still in Baghdad thrashing out the question of sanctions against Egypt.

Undoubtedly, the heir apparent who has been the effective chief executive of the Saudi Government since the death of King Feisal in 1975, was opposed to the tough resolutions eventually adopted at Baghdad to punish Egypt for concluding the bilateral treaty with Israel. Within the regime he is known to have come under fire previously for being too pro-American. Acting on his instructions Prince Saud al Feisal, the Foreign Minister, faced a torrent of abuse as the conference seemed about to collapse. Mr. Yassir Arafat, chairman of the Palestine Liberation Organisation, for instance, is said to have called him "a disgrace to his father"—a reference to the late monarch. Back in Riyadh the debate within the hierachy must have been an agonising one.

The regime was placed in a cruel dilemma by the extremist pressure to ostracise Egypt. The kingdom—as vulnerable as it is rich—has always sought to promote and identify itself with the maximum pan-Arab consensus. Refusal to join the militants who wanted to implement the harshest measures would have exposed the monarchy to attempts to overthrow it. At the same a cardinal aim of its foreign policy has been to support and maintain in power in Cairo, the centre of gravity of the Arab world, under the moderate, pro-Western regime of President Sadat.

In the event Crown Prince Fahd lost the battle. Prior to the Baghdad conference King Hussein of Jordan had succeeded in winning the agreement of King Khaled to suspend economic aid to Egypt. It was not unnatural that the monarch, who also holds the title of Prime Minister, should finally have telephoned the instructions to Prince Saud to fall into line with the hard-liners. But he is also understood to have played a major role in reaching the decision. That may seem surprising to those who have seen him as a figurehead and little more than a cypher.

According to informed sources, he received strong backing from Prince Abdullah, Second Deputy Premier and Commander of the National Guard, and Prince Sultan, the Minister of Defence, respectively the third and fourth leading members of the hierarchy.

The Saudi leadership (left to right): King Khaled, Crown Prince Fahd, Prince Sultan, Prince Abdullah

This fact also puts in question some assumptions about the balance of power in the Royal Family. The two have been contenders for the position of heir apparent at the next succession. Prince Sultan, moreover, is a full brother of Crown Prince Fahd and one of the so-called "Sudayri Seven," sons of King Abdel-Aziz, the founder of the monarchy, by the same mother.

Erroneously, they have been regarded as forming a solid phalanx seeing eye-to-eye on every issue. Even so, Fahd and Sultan have always been very close.

It looked as if the Crown Prince left prematurely for Spain to lick his wounds. As it happens, he originally planned to go there in late February en route for his official visit to the U.S. which was cancelled because of Saudi displeasure with President Carter's frenetic bid to clinch the peace treaty.

Adherence to the Baghdad resolutions does constitute a shoft in the direction of Saudi foreign policy. But to deduce from the Crown Prince's defeat in the debate over them and his ill-health that his power and influence will be significantly diminished in future would be to betray a lack of understanding about the Saudi regime. The principles of consensus and the preservation of unity are held sacred. Disregard of them can only imperil the structure as the senior princes at the power centre are accutely aware.

Similarly legitimacy is respected and Fahd would only step from his position by his own decision and would come under heavy pressure not to do so.

Meanwhile although at the moment Saudi Arabia feels badly betrayed by the U.S. and is anxious to play down its association with it, the regime—whatever the balance of power in it—will want to maintain the special relationship.

The fact remains, however, that authority in the Kingdom is more fragmented than at any time since King Feisal's death.

Arab arms funds threatened

By Our Foreign Staff

SAUDI ARABIA, the United Arab Emirates and Qatar are seriously considering cutting off funds to the Arab Organisation for Industrialisation (AOI), the budding Arab arms industry which is based in Egypt.

The AOI whose capital of $1.4m is shared equally by the four countries, is already producing jeeps in partnership with American Motors and has several other projects under implementation or discussion involving British, French and German as well as American companies.

But senior military officials in the Gulf say that a majority of AOI board members see no alternative to suspending projects in Egypt, following the decision of Arab ministers in Baghdad to cut off political, military and economic support for President Anwar Sadat.

"How can we pay for weapons to be made in Egypt, when it will have open borders with Israel?" one official asked.

The key date for a decision is likely to be April 27, the deadline set by the Baghdad meeting for individual Arab states to sever diplomatic relations with Egypt.

Egypt is one of the few Arab countries which can supply the labour force and the industrial infrastructure to support the AOI, and another factor the Gulf states are considering is the compensation which would have to be paid to the foreign companies involved in the AOI. They must also weigh up the potential damage to Arab credibility if they reneged on a firm commercial commitment for political reasons.

A group of Arab and Western banks completed earlier this year the syndication of a £43m advance payment guarantee facility on behalf of the AOI.

Apart from the jeeps project, now building up to its capacity of 12,000 vehicles a year, work is well advanced on the Arab British Dynamics plant that is to assemble and then manufacture the Swingfire anti-tank missile under a deal signed in 1977 worth more than £40m. British Aerospace has a 30 per cent stake in the venture.

AOI's agreement with Westland and Rolls-Royce for making the Lynx helicopter and the Gem engines powering them is nearing implementation.

The only project not to be based in Egypt so far is the plan for a missile and electronics complex at al-Kharj in Saudi Arabia.

Militias accused of plan to partition Lebanon

BY IHSAN HIJAZI IN BEIRUT

THE PROCLAMATION of an independent state by the Christian militias in their enclave in southern Lebanon has set off shock waves in the rest of the country.

President Elias Sarkis yesterday chaired a Cabinet meeting to discuss what action to take. In a statement on Wednesday night he condemned the secession and accused the leader of the militias, Major Saad Haddad, of seeking to partition Lebanon.

The Lebanese army command was reported to be planning to try Major Haddad in absentia on the charge of high treason, which carries the death sentence. He had already been referred to a court martial but so far no attempt has been made to implement this.

Major Haddad yesterday proclaimed the independent "State of Free Lebanon" in the 300-square-mile enclave which he and his 1,500 militiamen control near the border with Israel. His move came after a battalion of 500 Lebanese regular troops completed their deployment in the zone controlled by the UN peace-keeping force, known as UNIFIL.

A spokesman for the Christian militiamen yesterday denied that they were responsible for shelling UNIFIL's headquarters on Wednesday and accused Palestinian guerrillas of carrying out the attack. At least seven people were wounded as a result of it.

Major Haddad was an officer in the old Lebanese army which broke up during the civil war. He established himself in the border region two and a half years ago and promoted co-operation with the Israelis. Israel provides him and his men with everything from tanks to military uniforms.

In practice, the secession does not change the situation much. The nine-mile-wide border strip, linked to Israel through the so-called "good fence," was already out of Beirut's control.

Christian leaders here were somewhat equivocal in their reaction, alleging the Government provoked Major Haddad into making his move.

Moslem and left-wing leaders demanded quick and firm action, such as stripping Major Haddad and his followers of their Lebanese citizenship. There are fears that the militiamen in the South might try to link up with Christians in the North to expand their state.

It is believed that any chance of the Syrians lessening their military presence has now vanished. Editorials in the state-controlled Press in Damascus said the developments in southern Lebanon threatened Syria as much as Lebanon.

Press reports also said Mr. Selim al Hoss, the Prime Minister, in his talks in Damascus yesterday with President Hafez Assad, reached an agreement that Syrian troops now serving with the Arab League deterrent force here will stay on in Lebanon for as long as the Lebanese Government wishes them to stay.

Iran retains Pretoria links

By Andrew Whitley in Tehran

DIPLOMATIC AND economic relations between Iran and South Africa has been discreetly maintained despite the announcement immediately after the revolution that "all ties" were being broken off.

Shortly after the announcement of the break, the Tehran Foreign Ministry informed South Africa that relations could continue at the consular-general level, with three diplomats in each country. Technically that had always been the full extent of ties, though the missions had been headed by men of ambassadorial rank who were withdrawn.

Iran still retains its 17.5 per cent share in the National Petroleum Refinery at Sasolburg, southwest of Johannesburg, and, according to diplomats, has shown no sign of wanting to dispose of it. Moreover, although direct oil sales to South Africa are said to have ceased, it is believed that equivalent volumes are being sold and purchased on the spot market through international companies with interests in both countries.

Black S. African unions set up national body

BY QUENTIN PEEL IN JOHANNESBURG

A BIG EFFORT to revitalise South Africa's divided black trade union movement has been launched here with the foundation for the first time in more than a decade of a national federation.

The Federation of South African Trade Unions (FOSATU) is to be a non-racial umbrella body, but with a majority of members—nine out of 12—being unregistered black unions, while the remainder are registered unions for coloured (mixed race) workers. Its aim is to co-ordinate the organisation of industry-wide unions, built on a base of strong shop-floor organisation in individual companies, by pooling the education, training, administration and research work of the existing non-registered unions.

The significance of the new body, which has members centred in Durban, the Transvaal and the Cape Province, is that it has been formed only weeks before the report of the Wiehahn Commission set up to review the whole field of labour legislation. The commission is expected to recommend greater trade union rights for black workers.

In spite of the refusal of several Transvaal-based black unions to join the Federation, partly because they object to the involvement of white organisers and registered coloured unions, labour observers here believe the move could have a major impact on the development of black trade unions. Not only is it intended to pool their resources, but also to prevent a duplication of fieldwork and recruitment.

The Federation is most strongly represented in the motor and engineering industries. The (coloured) National Union of Motor Assembly and Rubber Workers, the Western Province Motor Assembly Workers Union, the (black) United Automobile Workers' Union, operate in the motor industry, and the Metal and Allied Workers (MAWU) and Engineering and Allied Workers (both black), in the engineering field.

Because the black unions are not recognised under the racially-based Industrial Conciliation Act, they have concentrated their efforts on winning recognition from individual companies. Most companies have argued, however, that they will not recognise black unions until the publication of the Wiehahn report.

Warning of struggle to win role of world leadership

BY H. F. LEE IN SINGAPORE

THE SINGAPORE Minister for Foreign Affairs, Mr. S. Rajaratnam, opened the conference by suggesting that the crucial question confronting the world today was who would fill the role of world leadership which had become vacant during the 1970s.

The two obvious candidates for the role, were the U.S. and the Soviet Union. The rest of the world, Mr. Rajaratnam said, could not avoid making a choice between the two powers some time during the 1980s although up to now it had been possible for some countries to get by maintaining equal distance from each of them.

"The coming struggle for world leadership between the Soviet Union and the U.S. is *of a different order altogether*. It is not one where we have to choose between Communism and capitalism but one where we have to decide which of the two can direct the international system in a manner most beneficial to us and in particular to the developing nations," he stated.

The Soviet Union, he observed, was determined that it should fill the vacant role of world leader. Singapore was not against the Soviets making such a bid but Mr. Rajaratnam continued, "We would not like to see them succeed simply because as non-Communists we see little future for us should the existing international system, which is essentially non-Communist and which with all its faults has served the world well for centuries, be reshaped to conform to the Soviet model.

"After 60 years of existence, the Soviet model has attracted few imitators. So far only 25 countries have officially adopted the Soviet model and in almost every case the new dispensation has been the signal for an outflow of refugees," he said.

Malaysia's Minister of Home Affairs, Tan Sri M. Ghazali Shafie, gave his view on what ASEAN states should do in the prevailing situation particularly in the light of Indo-China and Sino-Soviet rivalry. He said that the best hope for regional stability and progress was for a South-east Asian system strong enough to resist external interference either directly or through subversion.

"The idea of the zone of peace, freedom, and neutrality is aimed at reducing the arena in which these three hegemonies (Soviet Union, China and Vietnam) may involve themselves bringing with them instability," he declared.

Discussing Arab financial involvement in Asia, the managing director and chief executive of Arab-Malaysian Development Bank, Mr. Hussain Najadi, said that the financial performance and unprecedented success of the early Arab joint financial institutions such as Arab-Malaysian Development Bank in Kuala Lumpur, Arab Japanese Finance Group in Hong Kong, and Kuwait Pacific Finance, would lead to more Arab financial and investment joint undertakings.

This, he added, would pave the way for increased Arab investment in Asia in general and in the ASEAN countries in particular.

Mr. Najadi noted that since the Arabs did not possess any technological know-how, nor were they seeking a secured supply of raw materials for their industries, Arab investments could only be directed prudently towards financial undertakings in the Asian markets and through purchase of bonds, stocks and real estates, besides the banking industry.

"We are definitely impressed by the potentialities of economic growth in the ASEAN region and usefulness of such financial centres as Singapore, serving the Middle East as the regional base for financial engagements of Arab surplus funds," he said.

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FINANCIAL TIMES
SOUTHEAST ASIAN BANKING AND FINANCE

AMERICAN NEWS

Anti-nuclear lobbyists scent victory

By David Buchan in Washington

IN THE WAKE of the Pennsylvania nuclear accident, the anti-nuclear lobbies smell victory. They plan a mass march on Washington for May 6, which its organisers, the ubiquitous Mr. Ralph Nader among them, hope will capture "the same energy and determination as the anti-Vietnam war movement."

They hardly lack for ammunition. Mr. Carter has set up a presidential commission to investigate the accident and to report within six months. At least four Congressional committees (two in each house) seem certain to pursue the same quest.

Meanwhile, gloom has spread across the nuclear industry. Metropolitan-Edison, the company that operated the Three Mile Island plant, claims it faces bankruptcy unless it gets an immediate $33m rate increase from the state of Pennsylvania, which would allow it to borrow even more from its bankers.

Companies which build reactors—Babcock and Wilcox, Westinghouse, General Electric, Combustion Engineering — find their shares prices way down, the likelihood of further lay offs in the nuclear division is imminent, and the chances of new orders microscopic.

Since the accident, the public shift against nuclear power has been marked, though not uniform. A joint New York Times and CBS television poll showed that 56 per cent of those interviewed (up from 33 per cent two years ago) were now unwilling to have a nuclear plant in their community.

New York State authorities have cancelled a nuclear plant plan, while South Carolina officials turned back two truckloads of radioactive waste on its way from Three Mile Island to a burial ground in their state. But voters in Austin, Texas, approved spending more money on a nuclear plant.

Accounting

The nuclear industry can thank President Carter for remaining ambiguous in his public pronouncements so far while promising a full accounting of the accident, he has also warned that the U.S. cannot lightly dispense with an energy source that provides 13 per cent of the electricity they use.

The NRC, the public body supposed to ensure that private companies in the U.S. operate their reactors safely, has so far done two things. It has put inspectors into all nine reactors built by Babcock and Wilcox for 24 hours a day. Second, NRC bulletins have been sent out to all reactor operators (not only those using pressurised water models such as at TMI, but also boiling water types built by General Electric), explaining what apparently went wrong in Pennsylvania and ordering checks.

So far no other reactors have been shut down by the NRC. Some would undoubtedly be if the NRC accepts the advice of its advisory committee on reactor safety that safety in the 43 pressurised water reactors in the U.S. could be much improved if better instruments were provided.

To do this reactors would have to be shut down for a time. The advice runs counter to the NRC staff's preliminary conclusion—and naturally that of Babcock and Wilcox—that training and operating procedures were all that needed to be remedied.

The NRC cannot be seriously charged with being a lackey of the nuclear industry. In its four years of existence since it was split off from the old Atomic Energy Commission in 1975, the NRC has proved a sceptical regulator of the industry.

Critical

In transcripts of its sessions during the Pennsylvania crisis up to April 4, the NRC commissioners were shown as highly critical of the competence of Metropolitan-Edison. But the transcripts also showed a considerable degree of muddle, with Mr. Joseph Hendrie, the NRC chairman, saying "we are operating almost totally in the blind." That was perhaps understandable, given the paucity of information passed on by Met-Ed.

If the NRC emerges with a clean bill from the various public investigations then Congress is likely to give it a bigger safety inspection role and more money to carry it out, according to sources on Capitol Hill.

The NRC's budget for the coming 1979-80 fiscal year was initially set by President Carter at $373m (up from $331m) and Congress may want to raise this. Nearly half of it goes on engineering design and simulation of potential accidents, areas of even more concern after the Pennsylvania accident.

Senator Hart is also contemplating installing monitoring equipment at the NRC's headquarters in Maryland to allow it to keep a continuous check on all reactors. This proposal is dismissed by one member of the House of Representatives energy and environment committee. "To pretend the NRC understands the problems better than the companies themselves is to perpetrate a fraud on the public," he said.

Brazil imposes curbs on private foreign borrowing

BY DIANA SMITH IN RIO DE JANEIRO

AS PART of an anti-inflation package, the new Brazilian Government has taken steps to restrict foreign borrowing by the private sector. This follows the announcement last month that a ceiling of $3bn would be placed on foreign borrowing by state concerns in 1979.

The private sector may borrow no more than $2bn abroad this year. Furthermore, 50 per cent of the cruzeiro value of each loan will be retained by the Central Bank until the loan is repaid. The measure is designed to stop private companies, facing high borrowing rates at home, from going to the foreign market, which has contributed heavily to an inflationary influx of $12bn in foreign currency in 1978.

The Government's package also takes steps to cool down private borrowing from Brazilian banks, which, in the last year, have charged up to 60 per cent annual interest on loans out of deposit account funds. Loans from current account funds are subject to severe restrictions.

Depositors meanwhile have received up to 55 per cent interest on their accounts which had to be held for a minimum of 180 days. The Government has now decreed that the minimum period will be raised to 360 days, whether deposits are placed in commercial investment or development banks.

As a further deterrent to lucraotive lending the Government has decreed that only 5 per cent commission may be charged on loans to individuals or companies involved in the building trade.

As a stimulus to honest trading, the Government has decreed that all hire-purchase contracts must display the full, final price of merchandise and precise rates of monthly interest.

Further relief has been granted to the Brazilian consumer by a Government decree that the final price may be no higher than 30 per cent more than the cash price. Until now, rates of between 150 and 200 per cent have been charged to generally unsuspecting customers.

The cruzeiro has been also devalued by 2.8 per cent bringing the total devaluation in 1979 to 12.8 per cent.

Officials hint that if this week's package does not show satisfactory results within a month or so, other monetary and price control measures will be announced. In 1978, inflation rose to 40.8 per cent; it worsened this year, particularly in March, when the monthly rate soared to 5.8 per cent, bringing the quarterly total to over 14 per cent.

Meanwhile, a state of emergency has been declared in 180 municipalities in the north east of Brazil, hit by severe drought, and emergency rations are being supplied.

Oil profits tax 'will be passed'

BY OUR WASHINGTON CORRESPONDENT

A KEY Congressional figure has predicted that a version of President Carter's proposed tax on windfall profits of oil companies will pass Congress this year.

Representative Al Ullman, who chairs the House ways and means committee, which writes U.S. tax laws, said on Wednesday that his committee would probably approve a tax bill by August which "will give us most of the revenues the President is recommending."

Representative Ullman

Mr. Carter has announced from June 1 he will gradually phase out Government controls on the price of U.S. domestic crude, now an average of $9-10 a barrel, so that it reaches world price levels by late 1981. In addition, he is making a strong plea to Congress to pass a 50 per cent tax on the "windfall" profits that U.S. oil companies will thereby reap from decontrol.

Mr. Carter has also proposed a similar tax on further revenues that the oil companies gain from any future increases in world prices decreed by the Organisation of Petroleum Exporting Countries (OPEC).

Despite much initial hostility to the tax proposals, Mr. Ullman considered that they had "broad political support in the Congress and the country."

Senator Russell Long, whose finance committee must also act on tax proposals, has, however, said that a windfall profits tax should allow the oil companies credit for money they put back into new exploration and production—a measure that President Carter rejected.

Senator Long

Libel ruling 'a threat to freedom'

BY STEWART FLEMING IN NEW YORK

EDITORS and journalists in the United States are expressing concern that a Supreme Court ruling in a libel action involving the CBS television network threatens to erode further the freedom of the Press.

Over the past year court rulings have established precedents permitting police in certain circumstances to search newspaper offices for reporters' notes. In the case of Mr. Myron Farber, a New York Times journalist, court rulings failed to establish the confidentiality of notes and Mr. Farber went to prison after refusing to give up documents.

The Supreme Court's ruling on Wednesday concerned a crucial procedural issue in a libela action brought by Lieut.-Col. Anthony Herbert, a former army officer, against CBS and the producer and reporter in a CBS documentary programme "60 Minutes."

In 1971 Mr. Herbert had received nationwide publicity as a result of assertions that he had reported to his superiors war crimes in Vietnam. Two years later the "60 minutes" programme cast doubt on these assertions and Mr. Herbert brought a $44m libel action against the network.

Press freedoms guaranteed by the First Amendment to the Constitution and a crucial precedent established in 1964 give news media in the United States strong protection from libel suits.

In the case of a public figure such as Mr. Herbert, a plaintiff has to prove that a report was malicious or printed with reckless disregard for the facts to have any hope of securing a favourable decision.

In their action against CBS, Mr. Herbert's lawyers sought to question the CBS employees about their state of mind in preparing the report on Mr. Herbert: Why, for example, they had not asked some questions but asked others, and why they had included statements by some of those interviewed, but not others?

The Supreme Court ruled by a majority of six to three that Mr. Herbert's counsel is entitled to ask these questions when the libel case resumes

EUROMARKET GROWTH IN THE BAHAMAS

Banking among the bikinis

The Bahamas is now the largest Eurocurrency centre outside London and offshore banking comes second only to tourism as the country's biggest growth industry. Nicki Kelly reports.

FIVE YEARS after the first energy crisis propelled commercial banks and non-oil-producing nations into a massive round of borrowing and lending, offshore banking has emerged as Bermuda's fastest-growing industry after tourism. The appeal of the Bahamas is a combination of easy tax laws, accessibility, stability and business know-how.

More than 2,000 people—7 per cent of the labour force and 90 per cent of them Bahamian—are now employed in the financial sector, making it the largest private business contributor to the economy. Mr. Baswell Donaldson, the Central Bank Governor, says: "The Bahamas has probably produced more bankers and trust persons per capita than any other country in the world."

The industry's importance to the economy was underscored by a recent Central Bank survey, which estimated that well over $40m was spent last year on salaries, Government registration fees and stamp duties by almost 300 banks and trust companies operating in the Bahamas.

The banks themselves say clients and directors spent a further $5m on business-related visits to the islands. An additional $500m is invested in the country in the form of loans, Government bonds and fixed assets.

The islands' importance as a financial centre is tied to growth of the Eurocurrency market, a vast, internationally integrated but largely unregulated banking system that has developed in the past 20 years to facilitate the borrowing and lending of funds outside their country of origin.

Long a vital source of capital for multinational business, the market since 1973 has become the chief vehicle for recycling the surpluses of oil-producing nations to finance the deficits of the non-producers.

Traditionally, Euromarket activity has been centred in London, but in the 1970s offshore centres in Asia, the Middle East and Caribbean, have shown rapid growth, reflecting the expanded activity of American banks. By mid-1978, 49 per cent of the $196bn in foreign claims by U.S. bank branches were reported by offshore centres.

Nassau's involvement with the market began in the early 1960s when U.S. authorities tried to restrict American banks from lending abroad. Attracted by the absence of any corporate, capital gains or withholding taxes, many opened Bahamian branches. The trend accelerated in 1969 when the Federal Reserve Board began approving "shell" branches to give small American banks access to the Eurocurrency market.

In 1973 the British Government slapped a 52 per cent tax on foreign banks doing business in the United Kingdom, providing a further incentive for U.S. banks to bypass London and book more of their Eurocurrency loans in low tax centres like the Bahamas.

An increase in New York State bank taxes in 1975 led to further business growth. To date, more than 100 Eurocurrency branches of foreign banks have branches in Nassau, 82 of them American. Between 1971 and mid-1978 the assets of U.S. banks in the Bahamas increased more than ten times to $84bn. Total non-resident deposits, meanwhile, have jumped from $20bn to more than $100bn.

The Caribbean now accounts for about 13 per cent of the $800bn Eurocurrency market, and the Bahamas, with 9 or 10 per cent of the market, has become the largest single centre outside London. To help the movement of Euromarket funds, the Central Bank exempts Eurocurrency banks from exchange control regulations and from any reserve requirements on their deposits.

Until recently most of the Euromarket loans "booked" in the Bahamas were arranged at the banks' head offices. Pressed, however, by foreign government and tax authorities to make such transactions genuinely offshore, many Nassau-based banks have started to deal actively in Eurocurrency deposits and loans.

The Government is anxious to encourage the trend and is committed to improving the business environment for banking. The ultimate aim is transformation of the islands from offshore to full-scale financial centre in a class with London and New York.

WORLD TRADE NEWS

Financing for Balfour Beatty HK contract

By Lynton McLain

THE FINANCIAL package to support Balfour Beatty's £100m contract for an electricity supply line for Hong Kong was signed in London yesterday.

The company signed its formal contract with China Light and Power, a Hong Kong power utility, at the end of last month.

The contract was based on a U.S.$211m loan. This was arranged by J. Henry Schroder Wagg for China Light and Power on behalf of 16 banks and the formal loan agreement was signed by all the parties in London yesterday.

The engineering contract calls for the design, supply and construction of a new extra high voltage electricity supply line for Kowloon and the New Territories of Hong Kong.

The contract for the power lines follows the contract for a £100m power station placed with Britain's Babcock and Wilcox and General Electric last year. The power station is to be operated by a joint company comprising the Kowloon Electric Supply Company, owned by China Light, and Eastern Energy, part of the U.S. Exxon oil group.

The power supply contract includes options for the possible extension of the lines into mainland China in Kwantung Province.

The $211m loan has been guaranteed by the Export Credits Guarantee Department and comes after the intensive discussions in Hong Kong which had the support of Britain's Department of Industry.

The loan at 7¾ per cent interest will be repaid over 8½ years from the mean date of commissioning of a number of stages of the contract.

British banks dominate the list of banks funding the loan, in contrast to the loan funding for the earlier $390m loan arranged by J. Henry Schroder Wagg in support of the GEC contract for the power station.

Barclays Bank International, Lloyds Bank International, Midland Bank and National Westminster Bank Group along with Standard Chartered Bank and the Hong Kong and Shanghai Banking Corporation provided the bulk of the loan.

J. Henry Schroder Wagg said yesterday that there is every expectation that China will want bulk power in the future and this is likely to be linked with the purchase of up to 70 per cent of the new power station's coal demand from China. However, no detailed talks have taken place about this aspect and they are not expected until the early 1980s.

The company also said yesterday that the option for a second power station is "still on the table." Consultants have been called in by the Kowloon Electric Supply Company to evaluate bids, including a second bid from GEC and Babcock and Wilcox.

Detailed talks about this possible second contract will take place this autumn and an order mav be placed next year. The station would come on stream in 1984 to 1985, two years after the first station will be commissioned.

Malaysian oil to Thailand

By Wong Sulong in Kuala Lumpur

MALAYSIA HAS signed a contract to supply energy-short Thailand with 20,000 tonnes of crude oil. The oil, which is to be shipped next week, is the low-sulphur light crude from Miri in Sarawak.

Thailand has also accepted a Malaysian offer for 10,000 tonnes of gas oil which would be available in May, but terms have yet to be finalised.

The contract for the Miri crude was signed in Kuala Lumpur by Mr. Kasame, the Thai Industry Minister and Mr. Tan Sri Abdullah, chairman of Petronas, the Malaysian oil company.

Thailand consumes 200,000 barrels of oil daily and is 10 per cent short of its requirements because of supply cuts from Iran. The Thais have been seeking emergency supplies from its oil producing Asian partners, and Indonesia has already supplied them with 40,000 tonnes of heavy Minas crude.

Iran bans imports of cars and other luxury goods

BY SIMON HENDERSON IN TEHRAN

IRAN HAS banned the import of a wide range of luxury goods including cars, alcohol and pork in what is seen as a move towards increasing austerity and greater adherence to Islamic principles.

The ban was announced by Mr. Abbas Amir Entezam, a deputy Prime Minister, at one of his regular Press conferences held yesterday. He said the decision had been made at a Cabinet meeting the previous night. The ban comes into effect tomorrow.

Spares and knocked-down car kits are not expected to be affected but the new regulations will still cause great disruption in the Iranian car industry already in revolutionary chaos as workers demand greater participation and purges are conducted of the previous management.

The local plants producing Chrysler, Peykans (Hillmans), General Motors and Renault cars have still not resumed production and are in no position to cope with increased demands.

Japanese, British, European and U.S. manufacturers can all expect to lose export opportunities. Imported cars have been a status symbol in Iran for many years, especially BMWs supplied from the West German company's South African plant, but also Range Rovers, Jaguars, Volkswagens and American limousines.

Alcohol imports had already been stopped because of the Islamic fervour of the new regime but, according to one local newspaper report yesterday, this ban may be partially rescinded soon, for sales to non-Moslem Iranians and foreigners.

Pork products were another obvious target but will still cause inconvenience as they had become popular with the Iranian middle-class.

The other affected luxury goods have not been specified but the ban is expected to hit many aspects of Iranian life. One item named was sculptures—considered to be "graven images" for Moslems.

TOKYO ROUND

Third World boycotts signature

BY BRIJ KHINDARIA IN GENEVA

THE TOKYO ROUND trade package has been boycotted so far by all but one of the developing country participants in the multilateral negotiations, whose substantive phase was concluded in Geneva last week.

Only 16 of the 99 participating national delegations have so far signed the package's final document since it was deposited for signature with the GATT secretariat on April 12. These include the Common Market, the U.S. and 10 other industrialised country delegations, three Eastern European states and Argentina.

There is no general movement among developing countries not to sign the final document, but many of these countries seem to have separately and spontaneously judged that the package does not satisfy their needs and have decided to take more time to assess it.

Signing of the document would imply acceptance of the various accords included in the package without signifying final approval.

A handful of developing countries have this week begun to lobby their colleagues with the aim of leaving the final document unsigned until after the major North-South negotiations, due to open in Manila next month under the umbrella of the United Nations Conference on Trade and Development (UNCTAD).

The Third World nations are particularly disappointed because of what they see as the failure in the Tokyo Round to obtain a code on safeguards against disruptive imports, which would prevent industrialised countries from taking a selective action against particular suppliers.

The argument now is that Third World countries should not give industrialised nations the acceptance they seek of the Tokyo Round package without seeing how far the richer nations will go towards meeting other developing countries' demands at Manila.

The intention is not that the Tokyo Round package be linked to any Manila conference package. But to give all developing countries a chance to jointly assess the Tokyo Round package when they meet in Manila, to see whether it will create the new international economic order which the poorer nations have long sought to change world economic structures in their favour.

The industrialised countries themselves opened the road to this boycott by creating doubt at the last minute about the meaning of the April 12 signing ceremony. The U.S. insisted that signature meant that the Tokyo Round was formally concluded, while the Common Market was emphatic in saying that the package was well short of being concluded.

However, the developing country boycott is unlikely to have much impact even if it continues up to the Manila Conference, because all sides have decided to wait until the autumn to see how the package fares in the U.S. Congress before taking final steps to approve the various accords involved.

New backlog in Zambia cargo

BY QUENTIN PEEL IN JOHANNESBURG

THE MASSIVE congestion of Zambia's transport links to the outside world, relieved last year by the re-opening of the rail route through Rhodesia, is building up once more, compounded by the destruction last week of the only road link to the south.

The bombing by Rhodesia of the Zambesi ferry at Kazungula, between Zambia and Botswana, has cut the road route, the only back-up transport link for the Southern Railway route. But South African Railways reports a growing backlog of goods destined for Zambia at South African ports.

According to the latest reports, 25,000 tons of wheat are currently held up in tons of milk powder. A further 6,000 tons of fertiliser, trans-shipped from Beira and Dar-es-Salaam, are on the quayside in London, with a further 16,000 tons due to arrive from the U.S. this week.

With the fertiliser industry in South Africa expecting to export some 150,000 tons north of the Zambesi this year, and 50,000 tons of maize allocated for Zambia starting to move next month, railways officials say these two commodities alone would more than fill the bulk wagons currently allocated to the Zambian route—26 wagons a day, in addition to 10 general cargo wagons.

The Kazungula ferry has been carrying up to 20 trucks a day, loaded with a mixture of luxuries and necessities for the Zambian market, ranging from soap to building materials. It is believed it will take at least two to three months for a new ferry to be built. The second ferry at Kazungula capsised and sank last year.

South African Railways say the bottleneck is still in Zambia itself, and the Zambians have asked for another six to ten locomotives to help them. The SAR could carry at least five times the present tonnage on the route, although the Rhodesian Railways put their limit at only double.

SAR says that Zambia "is experiencing some problems at the moment. As things improve, we will increase the tonnages."

Indonesia lures business

LOS ANGELES — Indonesia is planning new incentives for foreign investment in high-priority manufacturing ventures, Mr. A. R. Suhud, the Industry Minister, has told a U.S.-Indonesian business seminar.

Mr. Suhud said Indonesian officials will complete a "framework" for the new policies in two to three months, and he added that measures are likely to be adopted officially by the end of the year.

The minister and other senior Indonesian officials are on tour of the U.S. to lure more capital for the country's recently launched third five-year plan.

A boost in manufactured exports and the creation of new labour-absorbing industries both rate high in the Government's five-year plan, and rewards, in terms of tax incentives, for example, would be tied to a company's record of achieving the Government's goals, he said. AP-DJ

Iron ore price rise for Japan

By Richard C. Hanson in Tokyo

THE JAPANESE steel industry has agreed to price increases on iron ore and coking coal, which may force further increases in the price of iron and steel products.

The new contractual agreements reached by Japan with its major suppliers call for an average price rise of 7.2 per cent to about $15 per ton. Iron ore shipments amounting to about 140m tons from Japan's chief suppliers in Australia, India, various African states and Brazil will be affected.

The agreements on coking coal, affecting about 50m tons, will put the price up about 2 per cent to $52.70 per ton.

The contracts are on a two-year basis with price negotiations every year. The present contract began last year, with the 1979 portion accounting for 58.5 per cent of the iron ore contracted and 48 per cent of the coking coal.

Polish rail shipments for new Asian port

AN AGREEMENT has been signed by Stalexport, a Polish firm, to supply 25,000 tonnes of steel rails to the Malayan Railways.

The contract is worth 20m ringgits (£4.5m). The first shipment of 10,000 tonnes is to be made in August, while the rest will be delivered before the year-end.

Mr. Datuk Ishak Tadin, general manager of the Malayan Railways, said the rails will be used to construct a link between Johore Baru, the capital of the southern state of Johore, to the new port at Pasir Gudang, as well as to replace existing tracks.

The purpose of the new rail line is to channel Malaysian exports, currently going through Singapore, to the new port.

Alumax plans £270m Australian smelter

BY JAMES FORTH IN SYDNEY

ALUMAX PLANS to go ahead with a A$500m (£270m) aluminium smelter in New South Wales, making this the third major new smelter project to be announced this year. Moreover, two additional new smelters are under investigation and expansion is already underway at two of Australia's existing three smelters.

Alumax announced in mid-1978 that it was interested in building a smelter. The plant will have an output of 180,000 tonnes a year with all the aluminium aimed for export, principally to the U.S. and Japan. Alumax is owned 50 per cent by Amax of the U.S., 45 per cent by Mitsui and 5 per cent by Nippon Steel.

Earlier this year a consortium headed by Comalco, which is controlled by Rio Tinto-Zinc and Kaiser Aluminium, announced plans to proceed with a A$500m smelter at Gladstone, Queensland, to produce 206,000 tonnes of metal a year.

In addition, Alcoa of Australia 51 per cent owned by Alcoa of the U.S. and 49 per cent by Australian companies, announced that it would build a new A$350m smelter in Victoria to produce 120,000 tonnes a year.

Last July the partners at Gove in the Northern Territory started a feasibility study to build a smelter in Queensland or NSW. The Gove venture already operates a bauxite mine and alumina refinery. If the venture goes ahead, it will have a minimum output of 85,000 tonnes a year, and around 150,000 tonnes if two potlines are installed. The capital cost would range between A$200m and A$400m.

Meanwhile, the French group, Pechiney, revealed in January that it was investigating the possibility of a A$500m smelter in NSW to produce 200,000 to 220,000 tonnes of aluminium a year.

The attraction of Australia is its abundant supplies of coal to provide relatively cheap power. Smelters use large amounts of electricity and, since the OPEC oil price rises starting in 1973, the cost of power has become the most important factor in the siting of new smelters.

Rising production costs and environmental pressures, have made it increasingly difficult to install new plant in the U.S., while in Japan the industry has been forced to establish an anti-recession cartel and is in the process of reducing output by about one third from the present 1.7m tonnes a year level.

Present Australian aluminium capacity is 267,000 tonnes a year. Expansion underway at Alcoa's existing smelter and a plant owned by the Canadian group, Alcan, will lift this to around 350,000 tonnes by 1981. In addition, Alcan yesterday announced a further A$40m expansion of its plant after the present work is completed which would add yet another 22,500 tonnes to capacity, lifting it to 90,000 tonnes a year.

The new projects already announced would lift aluminium output to almost 900,000 tonnes by the mid to late 1980's, rising to more than 1m tonnes if the other two ventures go ahead.

British Airways to buy its first all-freight 747

BY LYNTON McLAIN

BRITISH AIRWAYS is to buy its first all-freight Boeing 747 Jumbo jet in a £44m contract aimed at improving the airline's share of the world air cargo market.

The aircraft will be delivered in September next year and start regular flights two months later.

The airline plans four flights a week to New York from London. These will return to London through Prestwick, Scotland. There will also be one flight a week to Hong Kong, calling at Dubai and Bombay.

Purpose-built side doors and a new nose will halve the Jumbo's loading time. The 747 will be powered by Rolls-Royce RB 211 engines similar to British Airways' passenger Jumbo jets and TriStars.

The all-freight Jumbo will have a payload capacity of 100 tonnes over routes up to 3,418 miles long. It will carry standard airline pallets and, for larger assignments, containers up to 20 feet long.

The airline plans to replace its ageing Merchantman Vanguard derivative air freighter with an extra Boeing 707 freighter bringing the 707 cargo fleet to four. The Merchantman will be phased out of service this winter.

British Airways is also considering buying an all-freight version of the Boeing 737 which would enter service on European routes in the early 1980s. There 737 freighter has a capacity of 14.5 tonnes and would be used on short-range Continental routes.

In line with the expansion of air freighting, British Airways also plans to rationalise its European cargo operation and concentrate on three areas—Frankfurt, Milan and Stockholm-Gothenburg.

Freight services to and from these centres began early in December.

● The last Anglo-French Concorde to roll off the supersonic production line at Filton, near Bristol, makes its maiden flight today. The £40m jet, destined either for British Airways or British Caledonian, will be piloted by Mr. Brian Trubshaw, British Aerospace's divisional director of testing, during its two-hour flight.

The Concorde production facilities at the Filton complex have been run down over the past three years and the workforce has been employed on other projects.

British Oil intake 'up 2.7%' in 1978

By Sue Cameron

UK OIL consumption was 2.7 per cent higher last year than in 1977, according to figures published yesterday by the Institute of Petroleum.

The institute said consumption of oil-based products rose by 2.2m tonnes last year to 90.6m tonnes but this was still 15 per cent lower than the 1973 figure. It added that if 1973 consumption levels had been sustained last year Britain would have had to buy in an extra 15.8m tonnes of crude oil at a cost of some £850m.

Between 1977 and 1978 sales of petrol in the UK rose by 5.8 per cent although sales of four star went up by 16 per cent while sales of five, three and two star all declined. Demand for fuel oil improved by 1.7 per cent, demand for derv fuel went up by 2.9 per cent and consumption of aviation jet fuel rose by more than 8 per cent. Gas/diesel oil consumption fell by 2.3 per cent.

In 1978 fuel oil sales accounted for 34 per cent of all oil product sales while petrol accounted for a further 22 per cent. The institute said crude oil production from the North Sea in 1978 was 53.4m tonnes while the value of imported crude and of imported oil products was £4.486bn.

Video recorder profits approved

BY DAVID CHURCHILL, CONSUMER AFFAIRS CORRESPONDENT

THE RAPID growth in domestic demand for video tape recorders over the past year has not led to excessive profit margins being earned by UK distributors, the Price Commission said yesterday.

In a report on the £54m video tape recorder (VTR) market, the Price Commission is cautious about future demand for recorders in the home. But it suggests that attempts should be made to persuade existing foreign manufacturers to establish a UK plant as a European supply centre to take advantage of any future market growth.

Sales of VTRs by UK importers increased from 16,000 in 1977 to about 82,000 in 1978, although the report points out that not all these reached the UK consumer because of stockholding and re-exports. Most of the growth in sales came from domestic demand, the proportion of sales for home use compared with sales for commercial use increased from 31 per cent in 1977 to 88 per cent in 1978.

The report estimates that UK sales of VTRs will reach 100,000 by the end of this year. But it points out that future growth will depend on such factors as the importance which households place on having a video tape recorder and the effect of the availability of recorders for hire.

A special Price Commission survey of 2,000 consumers last October found that only 14 of the sample interviewed had a video tape recorder. The survey indicated that only 3 per cent were likely to buy a recorder, and 2 per cent to rent at current price levels.

There are five main systems of video tape recorders available for domestic and commercial use, the report points out. Because of design differences, casettes for use on one machine cannot be used on another system's machine.

The Commission found a wide range of retail selling prices charged for essentially similar VTR's in the UK, as well as widespread discounting from advertised prices. A survey of retail prices carried out in November found prices ranging between £600 and £800, and there is evidence of lower prices since then.

By comparison, the average retail price in Japan was about £560 and in the U.S. £480. The commission points out that the differences between Japanese and British prices arises from extra manufacturing costs—to make the machines compatible with the UK television system—as well as freight, insurance, and import duty costs, and VAT.

But the still lower retail prices of VTRs in the U.S. results from lower prices charged by Japanese manufacturers to U.S. importers, as well as competition and large volume sales which have reduced margins at all stages of distribution.

The commission does not consider it likely that UK manufacturers will launch a VTR model, since the lack of a large home market would make it difficult to achieve costs comparable with those of other manufacturing countries. But it endorses the view of the industry that "the best way forward would be to persuade manufacturers to establish a UK plant as a European supply centre and to encourage other companies to assemble kits of parts supplied from it."

The commission concludes that, for a market at its present stage of development, "we consider that the gross profit margins which have been obtained by the UK distributors of VTRs, accessories, and cassettes are not excessive. Nor are they exceptional when compared with margins already obtained by distributors on other electrical items."

In addition, the commission says that "the consumer interest is adequately protected by the present degree of competition." About a dozen importers sell VTRs in the UK.

The report says that future developments are likely to be aimed at producing less complex recorders, increased playing time, more portable equipment and cheaper cameras.

"A separate and competing development is the video disc player, which can play pre-recorded items through a television set, but cannot be used to record broadcast programmes," the report adds.

Prices, Costs and Margins in the Distribution of Video Tape Recorders and their accessories. Price Commission sectoral examination report No. 15. HC 331, SO 90p.

Scottish Council appoints new chief executive

ADVERSARY POLITICS and policies seem to be tearing the heart out of industry and commerce in the UK, according to Mr. James Johnstone, whose appointment was announced yesterday as chief executive of the Scottish Council (Development and Industry).

Mr. Johnstone, 39, was born in Lanarkshire. He returned to Scotland last year from New York where he was international vice-president of Heidrick and Struggles, the U.S. executive recruitment consultancy. He succeeds Dr. W. S. Robertson, the council's present chief executive, on July 1.

The Scottish Council, which was formed in 1931, promotes Scotland at home and overseas, and leases the Scottish Development Agency to attract new industry. It is neither a Government organisation nor quango, but totally independent. It represents management, trade unions, local authorities, banking and financial institutions.

Mr. Johnstone, a graduate of Edinburgh University and the Harvard Business School, said the Scottish Council was known and respected worldwide for its work overseas

Mrs. Hart calls off visit by mapping agency

Financial Times Reporter

MRS JUDITH HART, Minister for Overseas Development, has postponed plans for representatives of the Directorate of Overseas Surveys to inspect sites in Glasgow for their projected move from London.

She had originally instructed representatives from the 350-man directorate to visit the sites on April 23 in spite of objections from the Greater London Council, who said that the staff were unwilling to move, that Glasgow did not have people qualified to staff the directorate,

Local authorities 'should play jobs planning role'

BY COLLEEN TOOMEY

CENTRAL GOVERNMENT should devolve more power to local authorities, and the authorities should be more assertive on employment and economic matters, the Royal Town Planning Institute urged yesterday.

An institute working party report, Strategy for Action, outlines what it claims are practicable and workable employment planning suggestions capable of working without extra staff or complicated procedures.

"The task is there and must be met in a fresh and imaginative way," Mr. Peter Masters, chairman of the working party, said in London yesterday. The accent of the report, he said, was "on action rather than yet more plans."

Assistance to businesses, with less red tape, more financial help, the provision of expertise and greater liaison, is one area identified for action by the report. Small firms, the report states, are often unable to afford experts and training for staff. But by grouping with other small firms such facilities could become available.

"The local authority can act as a catalyst in this and, in certain circumstances, can itself provide services for groups of firms, whether from its own financial and staff resources or, for example, through an Urban Aid or Manpower Services Commission scheme."

Expanding companies could be helped by local authorities providing risk capital direct.

Closures could be avoided, the report says, by local authorities persuading the company to sell its plant to a co-operative or even to the local authority on a sale and lease-back basis.

Other areas in which local authorities should play a stronger role cover the allocation of land and industrial buildings, helping the labour force with education and training, housing, transport, child care and information.

Employment Planning: a consultation document Report of the working party. The Royal Town Planning Institute, 26, Portland Place, London W1N 4BA. £1.50.

Belief in safety of margarine jolted by tests

By Dr. David Carrick

THE popular belief that margarine is a safer food than butter received an unexpected jolt at a meeting of the Nutrition Society at the University of Surrey yesterday.

Results of experiments on rats, carried out by K. R. Bruckdorfer and Nancy Worcester, biochemists of the Royal Free Hospital, London, and Professor John Yudkin of the Department of Physiology, Queen Elizabeth College, London, over an eight month period were aimed at determining the relative dietary merits of starch or sucrose, and either butter or "soft" margarine.

They showed that the mineral composition of the rat's bones had been markedly affected by the nature of the fat, but not by the carbohydrates.

The three major mineral constituents of bone, calcium, phosphorous and magnesium, wer found to be much reduced in the margarine-fed animals, but unchanged in those that had received butter.

Midland Bank's view of 'general provisions'

FINANCIAL TIMES REPORTER

WHETHER THE general provisions of the clearing banks are in reality reserves, and part of shareholders' funds, was described this week as a difficult problem by Mr. Stuart Graham, a chief general manager of Midland Bank.

Answering a shareholder's question at the bank's annual meeting, Mr. Graham said that shades of opinion about the matter. However, Whinney Murray, the auditors, had signed Midland's accounts as giving a true and fair view.

In defence of the general provision Mr. Graham said that the size of Midland's loan portfolio precluded every account being reviewed every day. The management and Board had to adopt a prudent attitude and set aside a general provision.

He added: "We do not regard the position as one of having a reserve. We have a duty to ensure that the value of the current assets are not overstated in the balance sheet. We are adopting a correct procedure in calling general provisions, provisions."

BANK RETURN

	Wednesday April. 11 1979	Increase (+) or Decrease (—) for week
BANKING DEPARTMENT		
Liabilities	£	£
Capital	14,553,000	—
Public Deposits	30,500,491	+ 1,822,115
Special Deposits	600,000	— 1,345,000
Bankers Deposits	354,663,009	— 2,254,637
Reserves & other Accounts	614,238,370	— 113,395,825
	1,014,554,870	— 115,173,347
ASSETS		
Government Securities	507,907,229	+ 22,055,000
Advances & Other Accounts	229,465,023	— 129,826,882
Premises Equipment & Other Secs.	168,156,196	— 12,903
Notes	8,827,771	— 7,382,124
Coin	197,651	— 6,438
	1,014,554,870	— 115,173,347
ISSUE DEPARTMENT		
LIABILITIES	£	£
Notes Issued	9,350,000,000	+ 75,000,000
In Circulation	9,341,172,229	+ 82,382,124
In Banking Department	8,827,771	— 7,382,124
ASSETS		
Government Debt	11,015,100	—
Other Government Securities	8,274,435,735	+ 88,223,207
Other Securities	1,064,549,165	— 13,223,207
	9,350,000,000	+ 75,000,000

UK NEWS

Fewer trains run to time

By Ian Hargreaves, Transport Correspondent

SHARP DETERIORATION in the punctuality of trains occurred last year, according to a railway watchdog group.

The Central Transport Consultative Committee, in its 1978 annual report, says that 58,608 official complaints were received by British Rail—a 32 per cent increase on 1977, which itself showed a 30 per cent increase on 1976.

Although the committee attributes part of the increase to better publicity about complaints procedures, it says that in terms of punctuality, cleanliness and passenger information, the railways "are clearly not providing value for money."

Detailed

On punctuality, the committee publishes more detailed figures than those given in the British Rail annual report and they show that in most areas the service is getting steadily worse.

Only 66 per cent of express trains to Scotland arrived within five minutes of schedule time, compared with 74 per cent in 1976. In other regions, the range of on-time trains was between 74 per cent and 82 per cent.

Shorter services were more likely to run on time, but the picture was still one of deterioration, with reliability between 91 and 94 per cent.

According to Mr. Frank Higgins, chairman of the committee, Sir Peter Parker, the British Rail chairman, instructed management in March that top priority must be given to improving performance. "We will be interested to see the results" said Mr. Higgins.

Outdated

The committee sympathised with British Rail in its argument that many service quality problems were caused by outdated rolling stock, but he questioned the wisdom of investing in sophisticated express trains at a time when the future of minor provincial services was being placed in jeopardy.

The committee sees some merit in British Rail's case for mass electrification of the network, but thinks the Government or private sources would have to provide the necessary finance.

"Keeping the network intact and accessible is a more immediate problem—and for energy conservation a more dispensable policy—than an electrification plan which would take up the lion's share of the total investment programme," the report says.

CTCC annual report 1978, SO, 80p.

Bob and Bing airletter form

BOB HOPE and the late Bing Crosby, both keen golfers, are featured on a Post Office airletter form on sale next week.

The form's theme is golf, and the main pictorial panel shows the 18th green of the Royal and Acient course at St. Andrews, which both stars often visited.

Copies, price 12p, will be on sale at Scottish post offices and philatelic counters throughout Britain.

British companies 'do better abroad'

BY DAVID FREUD

THE GREATER part of the UK's poor international economic performance can be attributed to deterioration in the advantages of operating in Britain relative to other countries, says an article in Lloyds Bank Review.

Prof. John Dunning, of Reading University, says that in the last 15 years British companies overseas have improved their performance relative to foreign companies in world markets.

This implies that the "British disease" is due primarily to factors specific to the country's economic environment, rather than lack of technological expertise or failure on the part of British management.

At the end of 1977 book value *of net assets owned* by UK companies was £19.2bn, about £5.3bn more than the book value of net assets in Britain owned by foreign companies.

Between 1962 and 1977 British companies invested £14.4bn abroad, while foreign companies invested £11.8bn in Britain. This caused the ratio between outward and inward capital stakes to fall from 2.29 to 1.38.

While the overall ratio has fallen the ratio for the manufacturing sector has risen considerably.

This was partly because of the improved international competitive position of UK companies, and partly the increasing tendency of such companies to supply overseas markets, particularly in Western Europe, from production outlets outside Britain.

For the same reason foreign, particularly West European, *companies have tended to* exploit the UK market through imports rather than inward direct investment.

Prof. Dunning says that assuming capital invested by UK companies abroad would not have been invested at home the gains to gross national product from outward and inward investment have increased in the period.

The evidence suggests that international investment flows have improved structure of resource allocation in the UK economy.

"Foreign firms in the UK tend to be concentrated in the more dynamic and technologically advanced sectors of the UK economy, while UK firms have exploited their advantages in the less technology-intensive industries by investing overseas."

Professor Dunning concludes that all these factors support continuation of a basically liberal policy toward outward and inward investment by the Government.

Lloyds Bank Review Number 132, April 1979, 71 Lombard Street, EC3.

Hotpoint staff to protest over halt on 600 jobs

BY RHYS DAVID

HOTPOINT factory workers at Llandudno, North Wales, will march on the Office of Fair Trading in London next week to urge it to drop action which they claim is preventing the creation of 600 new jobs in the area.

The company, a GEC sub*sidiary run by Mr. Chaim* Schreiber, fell foul of the Office of Fair Trading at the end of last year for allegedly refusing to supply the Comed discount warehouse group because it was cutting prices.

This dispute was settled, and a courtinjunction against Hotpoint ordering it to resume supplies was therefore dropped.

The Office is still pressing, however, for a declaration from the court that Hotpoint had been engaged in price maintenance. Because of the threat hanging over the company, Mr. Schreiber has declined to go ahead with a proposed investment totalling £18m.

Hotpoint was planning to develop a site at Rhyl owned by the Welsh Development Agency to supplement existing washing machine capacity at the Llandudno plant, where space for expansion is limited.

The 600 jobs to be created would be in addition to the existing 1,700 at Llandudno. The extra production would be aimed at cutting into the imported share of the UK washing machine market.

Company officials are understood to take the view that such an investment involving a large amount of risk capital cannot be undertaken while the possibiity remains of Hotpoint's name being brought before the courts, and its reputation damaged.

Workers at the plant have already tried to persuade the Office to drop its action. But, having failed, they have decided to back the company's case with more direct measures.

Mr. Schreiber clashed with the Government last year when he refused to go ahead with a new furniture plant at Runcorn, Cheshire, because of clauses attached to Government grants demanding adherence to pay policy.

This dispute was resolved after Parliament had thrown out Government attempts to impose sanctions on companies which failed to keep to pay norms. The Runcorn factory is nearing completion, and is expected to begin production soon.

Mail order expansion boosts jobs

AN EXPANSION scheme requiring 400 more workers over the next three years has been announced by Freemans (London SW9) for its mail order distribution warehouse at Peterborough.

The company established its present 32-acre complex on one of the city's industrial estates in 1968, and now employs 1,700 people. The expansion will cost between £3m and £4m.

Additional facilities are needed to cope with increased business, the company said yesterday. The statement added: "The present premises were designed to take additional capacity, and our architects are now at work on the project.

"We expect work to start this year, and to involve a gradual build-up of workers."

GROWTH OF MONETARY AGGREGATES (£m)

	Money Stock M1 Unadjusted	Money Stock M1 Seasonally adjusted	Money Stock M1 %	Money Stock M3 Sterling Unadjusted	Money Stock M3 Sterling Seasonally adjusted	Money Stock M3 Sterling %	Bank lending* Unadjusted	Bank lending* Seasonally adjusted	Domestic credit expansion Unadjusted	Domestic credit expansion Seasonally adjusted
1978										
June 21	—312	—97	—0.4	209	149	0.3	636	530	514	305
July 19	763	409	1.7	935	514	1.1	1,006	559	655	121
August 16	135	15	0.1	—487	—471	—1.0	—163	265	—389	—313
Sept. 20	137	508	2.1	478	569	1.2	11	203	540	709
Oct. 18	478	242	1.0	535	513	1.1	414	357	587	554
Nov. 15	40	—52	—0.2	254	117	0.2	279	341	150	143
Dec. 13	989	392	1.6	950	490	1.0	6	394	1,245	826
1979										
Jan. 17	—548	490	1.9	332	1,283	2.6	1,215	515	354	896
Feb. 21	—222	359	1.4	—34	528	1.0	1,125	995	392	1,068
Mar. 21	305	31	0.1	—339	—406	—0.8	463	430	—344	—262

* To private sector in sterling including Bank of England Issue Department holdings of commercial bills

Source: Bank of England

STERLING M3, the broadly defined money supply, including cash and bank current and seven-day deposit accounts, contracted in the four weeks to March 21, for the first time since last August. The drop was £410m, or 0.8 per cent, on a seasonally adjusted basis.

The narrowly defined money supply, M1, rose by £80m, or 0.1 per cent, during the month, but the non-interest bearing component rose by £260m, or 1.1 per cent. During the last three months, M1 has risen by roughly 3½ per cent.

Brassware jobs lost to West Germany

A BRASS-FITTINGS manufacturer is totransfer part of its operations to West Germany, making 180 employees redundant.

Barking-Grobe, formerly Barking Brassware, is a subsidiary of International Telephone and Telegraph. It merged with the West German compan, Grohe, 18 months ago.

The company, based at Barking, London, said yesterday that it was initially transferring its works to Grohe, West Germany, but was looking at other sources of supply in Britain. The staff would be cut from 320 to 140.

Aid from EEC

The printing works which publishes the Glasgow Herald and Evening Times newspapers is to receive a £2.7m loan from the EEC's Investment Bank. The loan covers almost a quarter of the cost of modernising the George Outram printing works, and will be paid to the parent company, Scottish and Universal Investments.

Buying British

The British Automotive Parts Council has launched a campaign to cut the number of imported spare parts used on cars. Garages in the scheme will display a Union Jack spanner sign.

More offices

Office development permits covering 17m sq ft of floorspace were issued during 1978, according to the Department of the Environment. The permits totalled 161, including 52 for central London.

Jubilee Line

Wires were still dangling above London Transport's Jubilee Line 11 days before the Prince of Wales opens the new 2½-mile stretch linking Baker Street with Charing Cross underground station. London Transport is confident that the finishing touches to the £87m line will be made before the opening ceremony.

TV rivals

Both BBC and ITV claim 53 per cent of television viewing last month. ITV says that Benny Hill (Thames) on March 14 gave the most popular show with 20.8m viewers. The BBC puts Benny Hill's audience at 19.5m and says this was beaten by an edition of That's Life with 20m viewers.

Oil money

The oil industry will not obtain the same return on its North Sea investments as it could have *earned by putting* its money into UK Government securities until 1981, Mr. Jack Birks, managing director of British Petroleum, said yesterday at a European Commission symposium in Luxembourg. It was "hardly surprising" that the industry was "very sensitive about the fiscal terms imposed on its large, risky projects."

New Lotus production line

THE SPORTS car firm of Lotus at Hethel, Norfolk, has opened a new production line at Ludham, Norfolk, employing 20 people.

The new venture is producing the finished Lotus Chrysler Sunbeam as part of a £5m deal between Lotus and the Paris-based PSA Peugeot Citreon group for 4,000 high-performance small saloon cars.

Royal visit

KING OLAV of Norway will visit the Isle of Man from August 2 to 7 when the Manx celebrate 1,000 years of their parliament. Tynwald, established by the first Viking rulers.

Pay bed cut

PROPOSALS TO cut the number of National Health Service pay beds by a further 177 to 2,642 were announced yesterday by the Health Services Board.

State aid urged on Perkins

BY HAZEL DUFFY, INDUSTRIAL CORRESPONDENT

THE PERKINS diesel engine company is being urged by the Price Commission to seek Government assistance in funding its future development pro*gramme, in view of the likely* inability of the company itself and of its parent, Massey-Ferguson, to provide sufficient funds.

The report by the commission says that if this investment does not take place between 1980 and 1983 it "could lead to Perkins engines not only falling behind those of competitors on technological grounds but also failing to satisfy emission legislation."

Perkins, at Peterborough, *one of the largest diesel engine* manufacturers in the world, exports about two-thirds of its production.

The company had applied for an average price increase of 10.63 per cent.

The commission concludes *that in view of competition in* the diesel engine market, Perkins' profitability level and its need to increase capital expenditure, this should be allowed.

The report mentions three areas of concern on the company. "*In general*" *it found* Perkins' operations efficient.

It says that the number of variants produced, only 10 basic engine types but some 4,500 variations, seems larger than desirable.

Secondly, there is scope for improving labour efficiency, though some inefficiencies are caused by non-labour factors such as plant breakdowns or stock and production control problems.

Thirdly, capital expenditure is needed both for modernising existing processes and bringing improved engines to the market.

While some plant is highly advanced technologically, other elements are extremely old and need replacement.

Perkins' scope for internal generation of funds for this investment is limited. Net profit as a percentage of sales was very low in 1974 and 1975, but improved in the three years to October, 1978.

The average for the five years was under 6 per cent. Return on capital employed, on a current cost-accounting basis, has been either negative or very low, and 1979 is forecast to be similar.

The financial difficulties of Massey-Ferguson, Perkins' parent company—in 1977-78 the Canadian-based group lost £128m, though currency gains helped it improve in the first quarter of the current financial *year—mean that Perkins may* well not be able to look to its parent for funds.

For this reason the Price Commission urges the company to consider applying to the Government for assistance on its development programme for a new range of engines.

The Government is anxious to ensure that Britain maintains a substantial presence in the growing market for diesel engines, and Perkins plays a vital role in this strategy.

The company is estimated to have an 80 per cent share of the market for diesel-engined materials-handling equipment, and is also an important supplier to manufacturers of compressors, generating sets and construction equipment.

About half Perkins' production goes to companies in the MasseyFerguson group, both in this country and overseas.

The report notes that the market which has the greatest growth potential for diesel engines is that of commercial vehicles and cars. This is an area where Perkins has a relatively small share. The company's policy is to provide engines for cars only to the extent that its smaller engines can be adapted for the purpose.

This is an extremely competitive international market, and the report says that there are many difficulties for Perkins in trying to increase its share.

But "we would emphasise *that progress in the automotive* sector as a whole is very important for the company's future development."

Labour relations are described as good in that a relatively small amount of time is lost through stoppages. The report was written before the recent five-day stoppage by the plant's 7,000 workers over parity, which will cost the company an estimated £10m. The workers have now accepted a new pay deal.

The company's forecasts for 1979, presumably made before the recent settlement, indicate that though sales are expected to increase by about 9 per cent, to £260m, direct variable costs are likely to increase by 10 per cent, and overheads by nearly 17 per cent, so that profit before tax will be down to 73 per cent of the 1978 level.

Perkins—summarised financial results—1978 actual, 1979 plan and forecast

Year to 31 October	1978 Actual £m	1978 Actual %	1979 Plan £m	1979 Plan %	1979 Forecast £m	1979 Forecast %
Sales	238.0	100.0	278.1	100.0	260.2	100.0
Direct variable costs	156.0	65.5	180.9	65.0	171.8	66.0
Direct variable profit	82.0	34.5	97.2	35.0	88.4	34.0
Overheads (Indexed)	100.0		116.2		116.7	
Profit before taxation as an indexd percentage of sales	100.00		127.5		73.1	

Shell Board attacks critical 'sanctions-busting' resolution

BY SUE CAMERON

THE SHELL BOARD has attacked a shareholders' resolution, condemning the part played by the company in supplying oil to Rhodesa, and being motivated by essentially "political aims."

In a letter to shareholders, the Board says the passing of the resolution at next month's annual meeting would be "damaging" to the company, "*without serving any valid* purpose."

The statement, released yesterday with the company's annual report, claims that evidence in the Bingham report "points to deliberate and continuing efforts by Shell *companies to circumvent the* sanctions law against Rhodesia and to "undermine the principal policy designed to bring about a settlement by peaceful means."

The sponsors of the resolution—a group which includes the general secretaries of the British Council of Churches and of the Methodist Church Overseas Division—add that as a result, "untold suffering has been caused to the people of Rhodesia." They say they are "affronted by this evidence and by the inadequacy of the company's response to date."

Their resolution calls on the directors of the Royal Dutch Shell group to commit themselves to ensuring they "will not be involved in any future breaches of the spirit as well as the letter of sanctions law."

It also demands assurances that neither Shell nor its subsidiaries is involved in supplying oil or oil products to Rhodesia through swap arrangements or through the giving of technical advice to Rhodesia.

But *in its reply*, the Shell Board says any suggestion that the company "has committed the criminal offence of violating UK sanctions law, whether by its own actions or because it is a holding company, is wholly denied." It adds that any attempt to "put this allegation by innuendo into the mouths of the shareholders" at the annual meeting "can only do harm to the company."

The Board also says that whatever policy the Shell holding company may have, its overseas operating companies must obey applicable national laws and "have regard to the policies of their own governments." It stresses that the statement put out by the resolution's sponsors "fails to *recognise the significance of the* contradictions in the attitudes of key governments which result in conflicting national policies and legislation."

The board "strongly urges" shareholders to vote against the resolution at the Shell annual meeting on May 17 "in the interests of the company." Earlier this week the board said it was "concerned and disappointed" that a group of shareholders had seen fit to condemn its actions. But it claimed it had "made it reasonably easy for them to state their case."

Shell's annual report says the ratio of proven world oil reserves to production is now declining. It says proven world oil reserves are now calculated to be 600bn barrels of which 400bn barrels have already been produced. It adds, though, that Shell believes there are some 1,800bn barrels of oil still in the ground, including oil still to be discovered.

But "total world oil reserves and the possibility of producing them at the right time will not *depend on nature alone.*" Other important factors will be:

- The speed with which new discoveries can be made and with which discovery techniques can be improved.
- The availability of funds and the willingness to invest them *in high risk ventures.*
- Restrictions governments might impose on the allocation of exploration acreage and on developments where there is environmental concern.
- Whether governments will allow oil companies an adequate return on capital intensive projects.

The Shell annual report also reveals that last year the company's highest-paid director had his salary increased from £215,001 to £217,500. It is understood that the director concerned is Mr. Bob Hart, a Shell group managing director since 1976 and a former executive vice-president of Shell Oil in the U.S. His pay—nearly twice that of the £109,634 received by Mr. Michael Pocock, Shell's chairman—is believed to be particularly high because he had come from the U.S. where salaries generally are greater than those in the UK.

Electronics industry 'in deficit'

BY MAX WILKINSON

A CONTINUED but slow recovery of the UK electrical engineering industry is dis*closed in new statistics from the* Industry Department.

The index of production for the third quarter of 1978 showed a 5 per cent increase on that for 1975, but was still 3½ percentage points below the highest level, recorded in 1973.

Sales by the industry reached £1.45bn (at 1975 prices), a 3.6 per cent increase compared with sales in the same quarter of 1977. Sales for 1977 (at 1975 prices) were £5.76bn. Of this, electronic goods represented £767m and electrical goods, £633m.

The figures are reported in the April 20 issue of the Department's magazine, Trade and Industry, which says that between 1970 and 1978, the sector as a whole accumulated a crude balance of trade surplus of more than £2bn.

However, it comments: "The disquieting feature of this otherwise satisfactory situation *is that the surplus of exports* over imports occurred almost entirely in the electrical group, which at the latest date had declined to not much more than a third of the total trade in electrical engineering.

"The electronic group was in deficit on visible trade throughout the whole period 1970 to 1978; this was attributable *mainly to consumer electronics* and computers and it may be expected to continue."

In 1977, exports for the sector were £3.04bn—£516m more than imports. However, the exports of computers at £498m were £194m less than imports.

Marks extends credit

BY OUR CONSUMER AFFAIRS CORRESPONDENT

MARKS AND SPENCER is to extend its customer credit card scheme after the success of the pilot scheme over the past six months.

The credit card facility will be available in 10 more stores from next week in addition to *the six stores where the scheme* has been tested. Marks said yesterday that it planned to introduce the scheme in more stores within a few weeks.

The move coincides with a slight cut in the interest rate charged by Citibank Trust, the company which operates the scheme for Marks.

TV soccer could be at risk

By Arthur Sandles

SIX WEEKS of uncertainty face both the BBC and ITV as to which will cover England's socer matches—both organisations, one of them—or perhaps neither. If the English Football League clubs fail to accept the lates £10m offer the arguments could drag on much longer.

Mr. Alan Hardaker has warned the League clubs that a second rejection of the four-year joint offer from BCC and ITV could endanger television coverage for perhaps two seasons.

Mr. Hardaker, secretary of the League, has told the clubs that television is prepared to pay instalments in advance, to protect clubs against inflation.

The final League decision will be at its annual meeting on June 1.

Many clubs object to the deal because they still feel not enough is being paid. They claim there is too much televised soccer anyway, keeping fansh away from the terraces, andtelevision produces a soccer "class system" of glamour clubs and also-rans.

Mr. Hardaker is keen to point out that the alternative to the new deal is no deal. "If an agreement is not made fairly quickly, then the Office of Fair Trading will seek an injunction to declare the existing agreement between London Weekend and the Football Leagu invalid," he said.

Fulham FC asks Howe to intercede

By Andrew Taylor

FULHAM FOOTBALL CLUB has asked Sir Geoffrey Howe to intercede over a £400,000 debt.

The original creditor, Sir Robert McAlpine construction company, obtained a court order against club and recently assigned the debt to Financial and General Securities, which at the beginning of this month gave Fulham until April 11 to pay.

Mr. Brian Dalton the club's *finance director, said Fulham* offered Financial and General a substantial down payment ahead of last week's deadline but were still awaiting a reply.

The club had asked Sir Geoffrey to help and he had agreed to approach Mr. Alastair McAlpine—who is Conservative Party treasurer—to see if there was any way in which he could assist. McAlpine built Fulham's Riverside stand.

2419K. 24 ton tipper. Haulage version available.

1617K. 16 ton tipper.

1617. 16 ton chassis cab. Three wheelbases to choose from.

L608D. 565 cu ft load space. Three wheelbase options.

1626S. 32 ton tractor unit. *One of a range of artics.*

LP809. 7.5 ton chassis cab. Wide range of applications.

307D. 2 ton body payload.

307D. 290 cu ft load space. Choice of body sizes.

FORGET WHO MAKES THEM JUDGE THEM AS TRUCKS

What's the first thing that you think to yourself when you see a Mercedes truck?

Great truck but not for me? Better than I need? A bit of an extravagance?

If you do feel that way, we'd like to suggest a little experiment.

Next time you have a chance, have a really good look over one of our trucks. But while you're doing it, try and forget that you're looking at a Mercedes. Just judge it for what it is—a truck.

The idea is to see if you can find anything that is a waste of money.

Assess the engineering that's gone into the chassis and think what that means in terms of durability.

Measure the performance of the engine against its fuel consumption. And check whether the gearbox and differential have the right ratios for your particular operation. Because that can make all the difference to your running costs.

Then look at the way the cab is finished, and feel how positive and solid all the controls are. If that doesn't keep your drivers happy what will?

When you've finished we're sure that you'll have a slightly different idea about Mercedes trucks. They're well made certainly. But an extravagance? Never.

Because we don't believe in engineering for engineering's sake. Only in engineering that is strictly functional. And absolutely reliable.

The trucks above are just a sample from our range. Most are available with a choice of wheelbases and drive trains, so there's almost certain to be one to suit you. And they're backed by a parts and service organisation that is just as efficient as the trucks themselves.

Mercedes-Benz

UK NEWS—LABOUR

Top civil servants in doubt on merger

By Philip Bassett, Labour Staff

TWO CIVIL Service unions representing most higher-grade staff in the service are likely next month to draw back from a proposed interim merger because of internal opposition from members of both unions.

The Institution of Professional Civil Servants and the First Division Association, which together represent about 113,000 professional and senior civil servants, drew up joint proposals last year which were due to lead to a loose link after their conferences next month.

The interim merger was to last for five years, with a review after three when proposals for a final merger were to have been formulated. Members of the FDA would have been eligible for election to the IPCS executive, and a higher grades committee would have been formed to represent the combination's 20,000 members in grades of principal and above.

Both unions had expected their annual conferences next month to endorse the interim merger, but both executives are having instead to present similar motions drawing back from the immediate deal and postponing a decision until next year.

Union officials admit that pressure against the merger from both memberships is strong. The executive of the association considered putting forward a motion to its conference setting up a ballot on the issue, but decided from membership response to the whole question that even that would be defeated at conference.

Branch motions before both conferences make it clear that many members feel the proposed merger would benefit neither union. Institution officials were keen for the merger, which would have increased the union's status and strengthened its hold on the representation of senior grade staff.

For the association, the merger was designed to provide greater resources for its members and to strengthen the lobbying impact of senior grade civil servants, particularly on pay.

The association's conference will also consider motions urging that the Boyle system for determining the pay of higher grade civil servants should be replaced with one based on the pay research comparability system used now for ranks up to assistant secretary level.

After it unprecedented decision to advise its members to take part in a one-day civil service strike over pay this month, the executive will also face motions restricting its power to decide on industrial action without a membership ballot.

The Society of Civil and Public Servants, some of whose members are still taking action over this year's Civil Service pay settlement, will consider motions at its conference rejecting the TUC-Government concordat and condemning the TUC General Council for its "dereliction of duty" in failing to support actively public service unions over pay this winter.

Further motions include calls for a revision of present electoral methods.

Rival teaching unions clash over work-to-rule on pay

BY MICHAEL DIXON, EDUCATION CORRESPONDENT

RIVALRY between the two biggest teachers' unions over their threatened work-to-rules broke into the open yesterday as the Prime Minister announced that he was contacting Mr. Len Murray, TUC general secretary, to try to prevent disruption of schooling.

Mr. Fred Jarvis, general secretary of the 258,000-member National Union of Teachers, described as "bizarre" the plan of the 112,000-member National Association of Schoolmasters and Union of Women Teachers to work a strict five-hour day from May 8.

The apparent object of the NAS-UWT action, Mr. Jarvis said in Scarborough, was to have the 36.5 per cent pay claim for 482,000 teachers in England and Wales sent to statutory arbitration.

By contrast, he said; the "withdrawal of good will" by the NUT from April 26 was aimed at prodding the education authorities into improving their offer of 9 per cent from April 1, plus reference to the Pay Comparability Commission with payment of any award 50-50 in April 1980 and 1981.

Mr. Jarvis said that, unlike the rival union's action, his members withdrawal of good will was not intended to threaten teaching work or the impending national school-leaving examinations.

"There was a strong likelihood" that many members of the NAS-UWT would refuse to join in action which would disrupt major exams.

The inter-union rivalry over the pay claim is the key to the threatened work-to-rules which, although both the NUT and the NAS-UWT are affiliated to the TUC, seem likely to be forestalled without the offices of the Prime Minister or Mr. Len Murray.

The NAS-UWT has been angered by the apparent willingness of the larger union, which has an absolute majority on the teachers' side of the Burnham pay-negotiating committee, to have the 36.5 per cent claim referred to the Comparability Commission.

It fears that the commission would decide that teachers' working conditions had improved so as no longer to justify the position in the "pay league" established for them by the Houghton Inquiry in 1974. The smaller union therefore wants the claim dealt with by normal arbitration.

While the NUT is still ostensibly in favour of reference to the Comparability Commission, it insists that the commission should be barred from taking into account any changes in teachers' working conditions since 1974.

Unless the education authorities concede this restriction at the next Burnham meeting on Tuesday, together with the offer of more cash and better staging of any commission award, the NUT looks bound to decide that further negotiations would be futile. These concessions are most unlikely to be forthcoming.

The probability is therefore that the independent chairman of the Burnham Committee will declare that negotiations have broken down, and send the dispute to statutory arbitration, so forestalling action by either union.

Union faces differentials plea

BY ALAN PIKE, LABOUR CORRESPONDENT

THE AMALGAMATED Union of Engineering Workers policy-making national committee meeting next week, with the BL craftsmen's strike in progress, will be urged to endorse action to improve the pay of skilled workers.

Several resolutions submitted for debate by the union's divisions demand a policy to ensure that skill is rewarded in the pay packet.

One calls on the executive "to devise a way of ensuring that skilled and time-served members are allowed to achieve a wage differential without having to rely on an annual vote on wages involving unskilled and semi-skilled workers."

BL strike

This goes to the heart of the case championed by Mr. Roy Fraser, leader of the unofficial BL United Craft Organisation, whose strike, by more than 3,000 skilled workers in the car company, is almost a fortnight old.

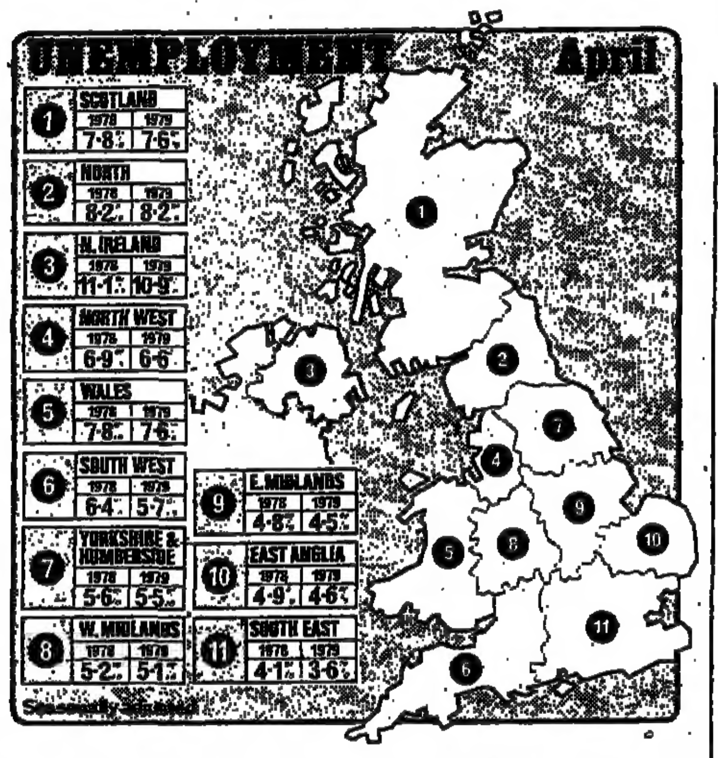
He argues that skilled men will never achieve adequate differentials while their negotiating machinery is dominated by non-craftsmen. The strikers want pay parity and separate negotiating rights.

With this year's national pay claim in the engineering industry still unresolved, the national committee will next week set its target for the 1980 claim.

It will consider resolutions demanding that the next claim should be for minimum skilled rates up to £120 per week. Most divisions pitch their lowest aspirations around the £90 to £100 mark.

At present the minimum skilled rate is £60. Negotiations are in progress on a claim to increase this to £80.

The Engineering Employers' Federation has offered £65 and union leaders are threatening industrial action unless this is improved.



THE NUMBER out of work fell in all regions in the month to mid-April, bringing the lowest rate of unemployment—in the South-East—down from 3.8 to 3.6 per cent on a seasonally adjusted basis.

The South-East also had the largest drop in the absolute number of unemployed over the previous 12 months—11.9 per cent. The South-West, with 10.9 per cent, had the next largest.

The smallest decline on a 12-month basis was in the North, with a fall of 0.3 per cent in the absolute number out of work. In the West Midlands the fall was 1.7 per cent, and it was 2.1 per cent in Northern Ireland and Yorkshire and Humberside.

In Wales the fall was 2 per cent, in Scotland 2.3 per cent, the North-West 4.4 per cent, East Midlands 6.3 per cent, and East Anglia 7.8 per cent.

Perkins dispute over pay parity ends

THE LONG dispute over pay parity at the Perkins Diesel engine plant in Peterborough was finally settled by a mass meeting of the 7,000 production workers yesterday.

They accepted a management offer of payments totalling £10 over the next three years, in spite of opposition from shop stewards.

The men will get an extra £4 this year, £4 in 1980 and £2 in 1981 towards parity with Massey Ferguson group workers in Coventry. They will also get increases on basic rates this year of between £8.85 and £11.25, which will push up the average weekly wage by £14.

The pay parity dispute started in 1973, and a five-day strike halted production earlier this month, with an estimated loss of £10m.

The men returned to work on the instructions of the national executive of the AUEW, who ruled that negotiating procedures had not been exhausted.

The latest management offer was made after the return to work. It was accepted by a majority of 2-1 at yesterday's mass meeting, against the advice of the shop stewards.

Perkins normally produces over 1,000 engines a day for boats, trucks and agricultural machinery. About 85 per cent of the engines are for export.

London's 20,000 busmen settle for 14% package

BY PAULINE CLARK, LABOUR STAFF

A PAY settlement was reached yesterday for the last major group among Britain's bus workers when London busmen accepted a 9.8 per cent increase on basic rates plus a productivity deal.

With improvements in London weighting and other allowances the package is estimated to be worth up to 14 per cent for the 20,000 workers.

The extra cost to London Transport is put at about £12m, and there must be speculation that fare rises will follow. A proposal for an 8 per cent fare increase from June was already being considered by the Greater London Council.

Elsewhere among bus groups, which have been submitting 20 per cent plus claims in the current wage round, following the lorry drivers' average 22 per cent settlement, a 9.9 per cent basic pay increase was reached recently for 70,000 National Bus Company drivers, conductors and maintenance staff.

In addition, about 30,000 busmen employed by municipal authorities have accepted a 6 per cent basic pay increase but with overtime pay boosted as well by consolidation of the £6 and 5 per cent pay supplements of the first two phases of Government pay policy.

Mr. Larry Smith, secretary for the industry in the Transport and General Workers Union, said, however, that the union was preparing to withdraw from the national agreement for this group because of employers' refusal to apply the 6 per cent rise to the annual bonus.

The money was "negligible" but the union was fighting on grounds of principle.

Meanwhile, settlement of between 7 and 9 per cent on basic rates have been reached in three Passenger Transport Executive agreements.

The London busmen appear to have done particularly well because of London Transport's willingness to pay productivity money for extra work by drivers in the change to single-manning buses.

Fare machines are to be withdrawn from many buses because "they have not worked very well and are not being used enough," and drivers will be paid a flat rate £1 for the change.

£75 BASIC

The new basic rate for London drivers is put at £65.53 a week, for conductors £63.91, for one-man operators £75.

Call-out hits computer centre

THE POST OFFICE group of the Society of Civil and Public Servants called out its members at Harmonsworth computer centre in London yesterday after claiming that two men were suspended for refusing to cover for workers already on strike. A Post Office spokesman denied this and said the men had walked out.

The call-out comes in addition to action the group has been taking since April 6 in support of a pay claim.

The Harmondsworth centre processes telephone bills and operates computers for cargoes going through Heathrow Airport. The action could cause delays in billing and build up a backlog of airport cargo.

Union will not help to transfer houses

By Pauline Clark, Labour Staff

MEMBERS OF the National and Local Government Officers Association involved in an inter-union row in the Greater London Council offices have been instructed not to co-operate in implementing the council's controversial house transfer policy.

Implementation has already been delayed by problems with the rival union in the council, the GLC Staff Association.

The action by NALGO is being taken in protest at the GLC and Staff Association decision to seek recognition in the boroughs for its members who are transferred along with the houses.

NALGO complains that it has not been consulted and is retaliating to a Staff Association threat to exclude it from the GLC negotiating machinery.

Rail men try to reach pay deal before Election

RAIL UNION leaders yesterday met British Rail officials in an attempt to reach a pay deal for 200,000 railway workers before the General Election.

Mr. Sid Weighell of the National Union of Railwaymen, Mr. Ray Buckton of ASLEF, and Mr. Tom Jenkins of the Transport Salaried Staff Association met before the pay talks began yesterday to formulate a common policy in response to the British Railways Board's latest offer.

Talks were continuing last night at the highest level of British Rail's negotiating machinery, the Railway Staff National Council. They were centring on the Board's latest offer of increases of possibly up to 12 per cent, including productivity.

ENERGY REVIEW: THE BRITISH ELECTION

BY KEVIN DONE

The vacuum in the manifestos

SEARCHING THE manifestos of the British parties to discover the details of a Labour, a Conservative, or a Liberal energy policy is a barren task. As Mr. Tom King, the Tories' energy spokesman, admitted during the phoney election war last autumn, when most politicians had convinced themselves that the Prime Minister was about to go to the country: "There is no red blood of party political controversy in energy."

It is difficult to make sudden changes of direction in an area where often the simplest of projects can take up to a decade to accomplish. So, inevitably, an unstated bipartisan policy has emerged in many areas of this vital policy sector. The Labour and Conservative Parties may contrive to change the atmosphere, but it must be doubted whether much of substance would alter with a change of Government. The energy supply industries grumble about the uncertainty of it all. But it is not the uncertainty arising from possible changes of direction that concerns them so much as the lack of any comprehensive energy policy from either of the main parties.

The Tory party has found details to quibble over in the conduct of Labour's North Sea oil policy, but neither party has yet come to terms with one of the biggest challenges it will face if it forms the next Government, that of formulating a depletion policy for the country's oil and gas reserves.

The Liberals have decided to stick out their necks by calling for the cancellation of the advanced gas-cooled nuclear reactors planned for Torness in Scotland and for Heysham in Lancashire. They are the only party that has tried to make any particular political capital out of the nuclear accident at Harrisburg in the U.S. Mr. David Steel, the Liberal leader, declared in ringing tones that the hasty development of nuclear power "threatens the openness and balance which should be the mark of our civilisation." He would like to see a complete postponement of nuclear processing and fast breeder reactor programmes, but this extreme anti-nuclear view seems hardly to have struck a major chord with the electorate.

Mr. Steel has swallowed, apparently undiluted, the report published a few months ago by the International Institute for Environment and Development, which suggested in as many words that if the practice of energy conservation was pursued as a moral equivalent of war, to borrow President Carter's words, you could just about stop building any more power stations and the nuclear option could be all but abandoned.

The IIED report, A Low Energy Strategy for the UK, was an extreme document, in that it called for a very specific decision from Government. It challenged most of the accepted wisdom about energy supply and demand. But its strategy will never find favour with either of the main parties. The energy policy of both the Labour and Conservative parties is all about flexibility. It is about proceeding on as broad a front as possible and never abandoning an option except in extreme circumstances.

"On the question of the fast breeder reactor, the application to build a full-size prototype must be submitted to a full public inquiry which can examine the full implications for the local environment, and for national and international policy." Again: "It is only prudent to retain the industrial capacity and develop the necessary expertise so that we have ready a safe and fully proven reactor design should it prove necessary to expand our nuclear programme."

Anthony Wedgwood Benn (left) and Tom King—something approaching a bipartisan policy on energy.

Bipartisan

Either statement could have been either by Mr. King or Mr. Anthony Wedgwood Benn, the Secretary of State for Energy. (They happen to come from Mr. King's latest energy policy statement.)

There is in effect a similarly bipartisan policy for the coal industry. To quote Mr. King again (or was it Mr. Benn?): "It (coal, that is) has a competitive advantage over oil; it is receiving the benefits from the large investment and it has overcome some major teething troubles with its productivity incentive scheme. This may be a unique opportunity for coal to convert its temporary competitive edge into a lasting advantage based on high production from modern pits, and reliability."

The walls of his office on Millbank largely covered by National Union of Mineworkers gala day banners, Mr. Benn is happy to pursue single-mindedly his support for the coal industry. But Mr. King is equally fond of reminding his audiences that it was the last Tory Government which actually drew up the Plan for coal industry. But Mr. King investment programme in the coal industry apparently set at a minimum of £500m a year from now until infinity.

The Conservatives seem to set greater store by energy conservation. Mr. King claims that such an important area of policy should be the immediate responsibility of the Energy Secretary himself, rather than belonging to a junior Minister as has been the case.

The Tories say they are anxious to see whether up-to-date standards of insulation can be included in building regulations without delay. But apart from that one departure it is clear they would rely on the same mixture of Save-It campaigns, of encouragement and exhortation, which has largely been followed already by the Labour Government, rather than on legislation.

Under Mr. Benn's guidance, the Labour Party has developed a social priority for energy policy. "We shall continue to help people to afford adequate light, heat and power in their homes," its manifesto declares proudly. But the Labour Party fails as conspicuously as does the Conservative Party to address the vexed question of energy pricing. How should the various fuels be allowed to compete with each other in terms of price? Should gas be allowed its present strong competitive edge in the fuel market, and how should financial targets be set for the state energy corporations to determine price levels?

In many respects the fact that major parts of the energy debate have been conducted without the often sterile divisions of party bickering could be counted as a benefit. But in terms of electioneering it has most obviously meant that the Conservatives have often had to go in for nothing more subtle than "Benn-bashing" for lack of real political alternatives. "Benn costs Britain £15,000m says Tory Energy spokesman" was the title of one Press release from Conservative Central Office in December. "Mr. Benn's Sinister Silence" another said in February.

It is with its policy towards the exploitation of the oil and gas resources of the Continental Shelf that the Labour Party has left its most distinctive mark on energy policy over the last five years, though even here some of its more extreme plans for the future were considerably watered down by the time the manifesto was printed.

At the last Labour conference none other than Mr. Benn, wearing his hat as a member of the National Executive Committee, came to the rostrum to accept and endorse the party's call for nothing less than the full nationalisation of UK North Sea oil resources. It is a commitment that has been quietly dropped for the manifesto, which only pledges Labour to "increase the national stake in the North Sea, to safeguard the British people and regenerate British industry."

In fact over the last five years Government control over the North Sea has grown rapidly. In 1975 two Acts were passed, which have had a profound effect on the way offshore oil and gas resources have been developed.

The Petroleum and Submarine Pipelines Act opened the way to the creation of a UK state oil company, the British National Oil Corporation. It offered tighter controls over exploration, development and production, including depletion controls and the right to control changes in licence interests. It also established control over the construction and operation of pipelines and the building and extending of refineries, and it set up the National Oil Account.

The Oil Taxation Act, passed in the same year, established the Government's fiscal policy towards the North Sea, including among other items the creation of a Petroleum Revenue Tax.

Tightrope

Governments of which ever shade of opinion must inevitably walk the tightrope between extracting the greatest benefit for the nation as a whole from the oil and gas resources of the Continental Shelf and making the climate attractive enough for the oil companies, the majority of them foreign-owned, to continue to invest large amounts of risk capital. The Labour Government's response has been to increase greatly state control over each facet of offshore developments, to set up a national oil company that has negotiated participation in every single oil field project and which has been granted a majority stake in every exploration and production licence granted in the two licensing rounds since 1975.

The Labour manifesto says: "The Tories handed over our oil wealth to the multinationals. We changed that." In fact during the 1974 election campaigns the Tories too were wedded to the idea of increasing Government control over oil and gas developments, and their emphasis at the time was on taxation and regulation along with the creation of an oil conservation authority to act as a watchdog.

When the Labour Government suggested an increase in the rates of Petroleum Revenue Tax last August along with other changes in the oil taxation regime it was met by howls of anguish from the oil industry. It was more or less endorsed by the Tory Party, however, and certainly Mr. King is now maintaining that the recent sudden rises of crude oil prices would justify PRT increases.

He has taken issue most pointedly, however, with the Labour Party's failure to create an atmosphere of confidence in which the oil industry would be willing to step up its exploration programme again after the dramatic reduction of activity last year. "We are still at the point where, by restoring confidence, the North Sea success story could be prolonged into the 1980s and further great benefits could be won for the nation," Mr. King says. "But the return of another Labour Government will accelerate the decline of our North Sea programme."

The Tories have put forward some concrete proposals. BNOC would have to pay Petroleum Revenue Tax like any other oil company. Its finances would be separated from those of the National Oil Account. Offshore licensing rounds would probably be bigger and perhaps more frequent to encourage greater exploration effort and BNOC would be denied first refusal on all farm-in deals. (Those are deals by which an oil company buys its way into another company's existing licence in return normally for carrying out a specific exploration programme at its own expense.) On top of this BNOC would be subjected to a "top to bottom" review of its "equity holdings, its participation agreements, its oil-trading activities and its exploration work, to determine whether they benefit the nation, and particularly whether they help to guarantee the fullest financial return to the nation and the security of British oil supplies."

Certainly a Conservative Government would bring changes of emphasis to offshore oil policy and perhaps a change of atmosphere for the oil companies. The role of BNOC could be contained, some of its privileges and advantages diminished and the insistence on majority state interests in all licences may be dropped. But beyond that a Tory Administration might find it extremely difficult to disentangle the web of agreements into which BNOC has entered in its short three-year life.

Many of the Tory suggestions, such as BNOC paying PRT and changes to the National Oil Account, would in any case be welcomed by the state oil company, and might equally well occur under a Labour Government. When the rhetoric of the election campaign is over a Tory Government might find it a useful asset to have BNOC as its own tame player in the oil game.

In hindsight, it's easy to laugh at the short-sightedness of those critics.

But rather more difficult to imagine our own reactions had we been faced with the same startling threats to the familiar.

In our time, there has been more written in accusation of computer technology than there was over the motor car, the telegraph, the typewriter and the aeroplane put together.

And yet, while the controversy rages, electronic technology is quietly proving its critics wrong.

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The motor car would be a lot less safe, offices would be much less efficient, and a one-hour plane journey could take a day to book.

Throughout history, it's taken new technology to increase productivity without increasing the demands made on man.

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—PENMAN'S ART JOURNAL ON TYPEWRITERS, 1887.

"IT IS NOTHING LESS THAN FEEBLEMINDEDNESS TO EXPECT ANYTHING TO COME OF THE HORSELESS CARRIAGE MOVEMENT."

—AMERICAN EXECUTIVE, 1920.

"TALKIES ARE A PASSING FAD."

—HOLLYWOOD EXECUTIVE, 1929.

"THE CONDITIONS OF MODERN LIFE HAVE BEEN RENDERED WELL NIGH INTOLERABLE BY THE TELEGRAPH..."

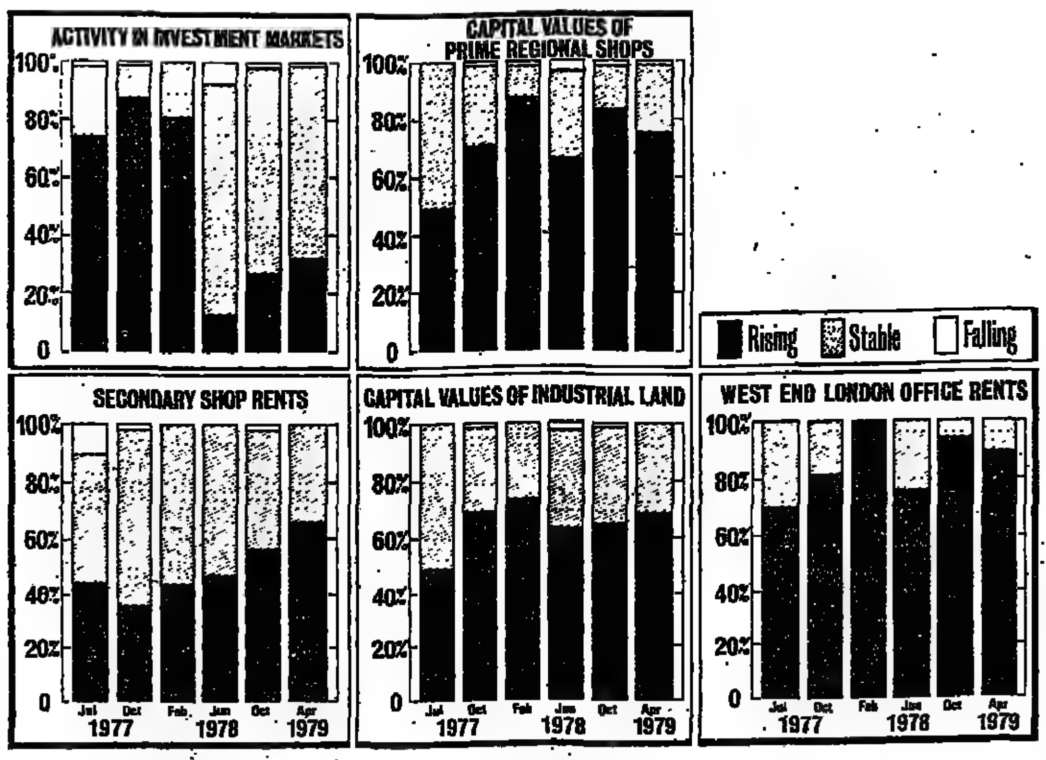
—EDITORIAL, THE TIMES, 1879.

"COMPUTERS.......

....

...."

PROPERTY MARKET INDICATORS



AREAS		LON. CITY	WEST END	REST GLC	SE (EX-LON.)	N	NW	EAST ANGLIA	YORKS & HUMBER	EAST MIDS.	WEST MIDS.	SW	SCOT.	WALES	N. IRE.	NATIONAL
Compared with three months ago:																
QUESTION 1 What is the trend in rents ?		%	%	%	%	%	%	%	%	%	%	%	%	%	%	%
(a) Offices	R	100	90	100	72	50	60	50	38	11	38	64	47	63	100	62
	S	0	10	0	28	50	40	50	62	89	62	27	53	37	0	37
	F	0	0	0	0	0	0	0	0	0	0	9	0	0	0	1
(b) Prime Regional Shops	R	50	80	100	83	88	100	100	100	89	100	91	100	100	100	91
	S	50	20	0	17	12	0	0	0	11	0	9	0	0	0	9
	F	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
(c) Secondary Shops	R	33	67	83	53	63	80	50	69	67	75	82	57	75	100	66
	S	67	33	17	47	37	20	50	31	33	25	18	43	25	0	34
	F	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
(d) Modern Factories	R	78	100	80	70	44	71	71	86	90	100	91	60	29	50	74
	S	22	0	20	30	56	29	29	14	10	0	9	40	71	50	26
	F	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
(e) Modern Warehouses	R	89	100	100	80	56	86	71	93	90	100	91	67	63	100	82
	S	11	0	0	20	44	14	29	7	10	0	9	33	37	0	18
	F	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
QUESTION 2 What is the trend of invest yields ?																
(a) Offices	R	0	10	0	0	0	0	0	0	86	0	0	8	0	0	2
	S	86	70	80	76	86	100	100	92	14	100	88	77	100	100	86
	F	14	20	20	24	14	0	0	8	0	0	12	15	0	0	12
(b) Prime Regional Shops	R	0	9	0	6	13	0	0	17	0	14	13	0	0	0	6
	S	63	82	80	67	74	80	100	66	86	57	50	54	75	100	70
	F	37	9	20	27	13	20	0	17	14	29	37	46	25	0	24
(c) Secondary Shops	R	14	10	0	13	0	0	0	15	0	0	29	8	13	0	8
	S	72	80	80	50	100	60	100	85	86	100	71	84	87	50	81
	F	14	10	20	37	0	40	0	0	14	0	0	8	0	50	11
(d) Modern Factories	R	0	14	0	0	0	0	0	7	0	0	11	8	0	0	3
	S	100	86	60	84	89	83	100	79	78	75	78	77	100	100	83
	F	0	0	40	16	11	17	0	14	22	25	11	15	0	0	14
(e) Modern Warehouses	R	0	14	0	0	0	0	0	7	0	0	22	7	0	0	4
	S	71	86	60	84	89	83	100	79	78	75	67	57	86	100	78
	F	29	0	40	16	11	17	0	14	22	25	11	36	14	0	18
QUESTION 3 What is the trend of capital values?																
(a) Offices	R	85	82	80	59	50	40	33	50	22	25	50	38	50	50	53
	S	15	18	20	41	50	60	67	50	78	75	50	62	50	50	47
	F	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
(b) Prime Regional Shops	R	43	75	83	78	63	80	60	92	56	74	91	77	88	100	76
	S	57	25	17	22	37	20	40	8	44	13	9	23	12	0	23
	F	0	0	0	0	0	0	0	0	0	13	0	0	0	0	1
(c) Secondary Shops	R	43	50	67	41	50	80	50	46	56	63	64	62	63	50	54
	S	57	50	33	53	50	20	50	54	44	37	36	31	25	50	43
	F	0	0	0	6	0	0	0	0	0	0	0	7	12	0	3
(d) Modern Factories	R	67	71	60	58	33	50	57	71	70	89	82	50	29	50	61
	S	33	29	40	42	67	50	43	29	30	11	18	50	71	50	39
	F	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
(e) Modern Warehouses	R	67	83	80	30	33	50	57	79	70	89	82	71	63	50	66
	S	33	17	20	70	67	50	43	21	30	11	18	29	37	50	34
	F	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
(f) Industrial Land	R	60	67	80	74	56	67	57	71	60	89	80	71	50	100	69
	S	40	33	20	26	44	33	43	29	40	11	20	29	50	0	31
	F	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
QUESTION 4																
Activity in Investment Markets	R	21	27	40	67	22	33	17	43	11	25	30	42	29	50	32
	S	79	73	60	33	78	67	83	57	89	75	70	58	57	50	67
	F	0	0	0	0	0	0	0	0	0	0	0	0	14	0	1

Stable and strong

● **A poll by the Royal Institution of Chartered Surveyors** *RICS members' firms and investing institutions in all regions were asked if there was a rising (R), static (S) or falling (F) trend in rents, investment yields, capital values and investment activity for different classes of commercial and industrial property.*

THE STABILITY and strength established last year throughout most sectors of the property market continued into the early part of 1979.

A healthy market with rising capital values, stemming not from short-term fluctuations in yields but from rising rents for most types of property, together with relatively static interest rates, is the picture painted in the 10th national poll of surveyors carried out by the Royal Institution of Chartered Surveyors in conjunction with the Financial Times.

The poll, which tested opinions since October, 1978, and up to the end of March, shows rent movements still setting the pace for property values in most parts of the country.

The pattern of stable or falling yields established in 1978 and providing clear evidence of continued institutional buying, has given way to a situation in which the overwhelming majority of surveyors say yields have levelled out at a historically low level.

Returns show that 67 per cent of the firms polled believe the investment market to have remained static, 5 per cent less than at the time of the previous poll. A correspondingly higher proportion (32 per cent against 27 per cent) suggest that activity—after the stable position achieved in the latter half of 1978—is again on the increase.

Just over a year ago, however, 80 per cent of firms suggested that investment activity was rising sharply.

The pattern of strong rental growth in the commercial property sector remains clear, with surveyors still reporting a rising trend for office, shop, industrial and warehousing space. Though it forms no part of the poll's function to predict, most surveyors seem to believe that current conditions will persist for the time being, but the outcome of the forthcoming general election constitutes a major unknown factor in their calculations.

The general belief remains that a Conservative government would provide a better climate for investment and, as a result, more development. The effect of such a fresh surge on supply and demand, and consequently on rents, is hard to assess.

There is more general concern about mid-term economic prospects, and on whether the underlying strength of the economy is sufficient to maintain the buoyant rental growth.

The poll itself shows that firms in central London remain confident about prime shop rents, while no longer unanimously reporting an upward movement. Whereas at the time of the last survey, everyone polled in the West End felt that rents were still rising, now only 80 per cent believe this to be the case.

In the City, surveyors are evenly split between those who believe further growth is still taking place and those who feel rents have stabilised. Last time over 80 per cent said they were rising.

Over the country as a whole, prime shop rents still show the most confident upward rental trend, with 91 per cent of surveyors experiencing rising rents. More surveyors than at the time of the last poll say secondary shop rentals in many areas are moving upwards, reflecting pressure on prime space.

The picture for office rents continues to show a strong underlying trend, most notably in the City, where all respondents report rising rents. West End rentals are thought to be rising by 90 per cent of firms, but in regions such as the East Midlands and Yorkshire and Humberside the *predominant* view is that they are static.

As for factory rents, 74 per cent of surveyors nationally report a rising trend, a 7 per cent increase from the time of the last poll and a 21 per cent jump from June 1978. There is some evidence that industrial rent increases in regions which appeared to lag behind those in London and the south-east, are now moving more uniformly upwards.

Comments on the current demand for leasehold investments indicate that an increasing number of institutions are ready to consider opportunities — at higher yields and low ground rents—because of the intense competition for prime freehold property.

According to some surveyors, however, institutions are still able to find enough freehold investments to dictate some fairly strict conditions for leasehold agreements. Certainly above average quality is required for any investment of this type.

A major constraint remains the lack of leaseholds in excess of 99 years, the limit as laid down under the Community Land Act and usually adhered to in the public sector. In supporting calls for a 125-year or even 150-year terms, many surveyors say such a change would facilitate investment sales and create many more development opportunities.

Some statutory bodies—such as British Rail—and local authorities are, in fact, now arranging 125-year terms, but they are the exceptions. Surveyors clearly hope that either the Department of the Environment will amend its ruling to extend the meaning of "acceptable" leasehold terms or that, as promised, the Conservatives will repeal the relevant legislation.

A surveyor in the south-east commented: "There are a few investors in the market prepared to take 99-year ground leases if everything is right with regard to the gearing of the ground rent to the rack rent, and all other matters are right with the investment.

"We have had little success so far in funding industrial schemes where there have been 99-year ground leases and, although the council would be willing to grant a longer ground lease of up to 125 years, the Environment Department has resisted several approaches to extend them."

Another firm reported: "There is little or no evidence of terms in excess of 99 years. Local authorities endeavour to negotiate as high a ground rent as possible and take some persuading to accept part ground rent-part premium to reduce gearing.

"This raises, so far as industrial development is concerned, *a greater problem with funding* than the fact that the lease is for only 99 years."

At the other end of the time scale, some firms report that the short leasehold market (up to 20 years) is strong, while demand is high in the City and West End for investments where headleases have between 25 years and 70 years to run, normally quite difficult to place. Tax free funds are apparently prepared to purchase in this provided there are rent reviews.

One firm commented: "Whereas the institutional buyers for the short and long leasehold investments base their criteria on the normal growth and return factors, medium-term leasehold buyers, who are often private investors or property investment companies, would appear to see same potential in future 'marriage values.'"

MICHAEL CASSELL

'Every reason' to favour indirect tax

BY JOHN HUNT, PARLIAMENTARY CORRESPONDENT

THE PRIME MINISTER made a sudden modification to Labour policy yesterday by declaring that a Labour Government would consider cutting income tax by shifting the burden on to indirect taxes.

He told his daily press conference that he saw "every reason" for altering the balance between direct and indirect taxes so long as there was a strongly expressed public desire for it.

But he warned that the public must realise that this would not be a painless process.

His remarks came in reply to a question about the often repeated promise by Mrs. Margaret Thatcher that a Conservative Government would reduce income tax by cutting public expenditure and raising indirect taxes.

Mr. Callaghan said that Labour was in favour of reducing taxation and he knew of no citizen who did not agree with this. But the problem was, how did you balance such cuts?

The Chancellor, Mr. Denis Healey, had made five reductions in income tax during the last four years and intended to continue along this route, said the Prime Minister.

Leonard Burt

Harold Walker (left), James Callaghan, Ron Hayward and John Grant

There was a case for paying less income tax but any party doing this would find it had to put up taxes on such things as VAT, petrol, beer and spirits.

"I would not rule out a reduction in direct taxation by going even *further* than we have so far, provided it is clearly understood that it will have to be done by increases in indirect taxation.

"That is a choice that can be made. I would not rule it out for the next Labour Government to make that kind of choice. *There is no reason why they shouldn't.*"

He quoted approvingly a well-known remark by the late Hugh Dalton, who was Chancellor in the 1945 Labour Government.

In an uncannily accurate imitation of Dalton's booming voice, Mr. Callaghan declared: "*Why should the millionaire's* mistress's mink coat be exempt from taxation? I propose a heavy impost on it."

Observed Mr. Callaghan: "Of course, you can deal with matters of taxation in this way."

He was also questioned about Mrs. Thatcher's promise that the Conservatives wanted eventually to reduce the basic level of income tax to below 30p in the pound, and to bring the top rate down to the European average of 57p in the pound.

Cautiously, he agreed that the direct tax system needed improvemnt as it had become misshapen over recent years. A Labour Government would be looking at possible improvements in this area during the next five years.

Commenting on the campaign as it nears the halfway mark, the Prime Minister said that the latest MORI poll showing the Conservatives in a 12 per cent lead compared with ten per cent a week ago, did not tally with reports that Labour was getting from its canvassers.

"Our reports show a great deal of enthusiasm," he maintained. "All of them are along the same lines. I am going for a Labour Government with an overall majority."

Parties cool on Sir Robert's union remarks

BY PAUL TAYLOR AND CHRISTIAN TYLER

CRITICISM FROM Sir Robert Mark, former Metropolitan Police Commissioner, of the relationship between government and the unions brought a cool response from political leaders yesterday.

Sir Robert's controversial remarks, in an article in the magazine Security Gazette, were greeted by union leaders with a mixture of *contempt* and hilarity.

He criticised successive Governments for changing the law in favour of the unions, likening the relationship between the unions and government to the way in which the Nazis achieved control of Germany in the 1930s.

The Prime Minister, speaking at the Labour Party Press conference in London, said: "I think we should be careful before we allow policemen, however eminent their record, to dictate to us what the law should be. That is not the basis on which we conduct matters in this country."

It would certainly be wrong to allow the police to dictate what we should do in matters of liberty or in relations with each other, Mr. Callaghan said.

He observed that Sir Robert had had every opportunity to make his views known to the Labour Government when he was Commissioner, but had not done so.

He did not consider Sir Robert's views as of "any more or less value than any other citizen in the country."

That view was echoed by Mr. William Whitelaw, Conservative deputy leader, also at a London Press conference. Mr. Whitelaw said that the former police chief was entitled to speak for himself but added that he considered some of Sir Robert's comments exaggerated.

Mr. Whitelaw said that he "could not accept for one minute" an attack in Sir Robert's article on Mr. Jim Prior, Shadow Employment Secretary.

In spite of the timing of Sir Robert's comments, Mr. Whitelaw said that he did not think they would have much influence on the election campaign.

Sir Robert wrote that in any critical situation in which the law did not support the unions, the Government of the day, "their partner or puppet according to your view," would declare its intention to change the law in the unions' favour.

Mr. Moss Evans, of the Transport Workers, said that Sir Robert's remarks would stun policemen and trade unionists who fought side-by-side to defeat the very thing that, in his view the trade union *movement* in concert with a Labour Government would bring about.

Mr. David Basnett, of the General and Municipal Workers, reminded a Press conference that in the 1945 election, the Conservatives had given a warning that a Labour Government would introduce a Gestapo. "We look forward to the same response from the electorate this time," he said.

Thatcher defines terms of BL aid

MRS. Margaret Thatcher yesterday spelled out the conditions under which a Conservative government would provide more funds for BL—formerly British Leyland.

The Conservative leader said additional financial support for the company would depend on better industrial relations, improvement in overall performance and evidence that management and workers are "doing their best to put the company on its feet again."

She said it was important to remember that it was the taxpayers who were being asked to "put their hands in their pockets to help BL" and said she believed they would be willing to do this if the company showed it was helping itself.

'False' claim

THE RETAIL consortium, which represents the vast majority of British retailers, said yesterday that the implications of Mr. Hattersley's statement on increased powers for the Price Commission that retailers would be subject to new price controls, was "entirely false."

"The fact is that retail margins are already subject to control and may, under the existing prices act, be reduced on the recommendation of the price commission," the consortium said.

Scots complaint

THE Scottish National Party claimed yesterday that Scottish housewives were bearing the brunt of Labour's "failure" to balance wages and prices—and that prices in Scotland were at least five per cent higher than in England.

The party is to press for a "weighting allowance" for Scots—to compensate for the alleged higher cost of living.

Co-op backing

THE CO-OPERATIVE Party, the political wing of the Co-operative movement, is sponsoring 25 candidates in the election.

It admits that "it has not been an easy five years under Labour," but says that the Government's record shows substantial economic and social progress. Co-operative Society members are urged to work and vote for the return of a Labour Government.

Thorpe support

MR. JEREMY THORPE was brought back into the mainstream of Liberal politics for a while yesterday when the party's economics spokesman, Mr. John Pardoe, praised him as the best MP who had ever represented North Devon.

Mr. Pardoe had crossed the border from his North Cornwall constituency for two meetings in North Devon, where the former Liberal leader is defending his 6,721 majority.

Indian opinion

The Confederation of Indian Organisations representing 40,000 Indians in the UK, said yesterday the ideal election result would be a hung Parliament with a good proportion of Liberal MPs.

"Their enlightened outlook towards good race relations and immigration is much ahead of public opinion," says the group's series of election documents.

Grocery display

THE SHOP where Mrs. Margaret Thatcher used to help her father behind the grocery counter is being enlisted into the election campaign. The former shop premises at Grantham are being used by Conservatives, with the owners' consent, for a display of posters in support of Conservative candidate Douglas Hogg. The display includes a picture of the grocer's daughter, Mrs. Thatcher.

Odds change

LADBROKE'S, which has accepted more than £250,000 in bets on the general election, yesterday revised its prices to 2-7 Tory, 11-4 Labour.

This is the biggest price on Labour at Ladbroke's since 1974. Labour had stood at 5-2 for over a week, Ladbrokes said.

Rural aid plea

URGENT GOVERNMENT investment is needed in Scotland's rural areas to halt the drift of people to the cities and the rundown in rural employment, the Scottish Liberals said yesterday.

They called for a rural development fund under the Scottish Development Agency; lower petrol prices for people living in such areas; and a minister with sole responsibility for rural regeneration.

Callaghan joins the campaign scrum

BY PHILIP RAWSTORNE

MR. JAMES CALLAGHAN formally and officially entered the election contest yesterday by handing in his nomination papers at Cardiff City Hall.

The ceremony was performed in front of a cheerful fire and a dozen flashing cameras in the Lord Mayor's parlour.

The Prime Minister then kicked off for television down the centre of the Queen Street precinct, cheered on by shoppers.

Crowds surrounded him, scrambling for an autograph, a word or a handshake, with all *the fervour of the Welsh pack* at Cardiff Arms Park.

Mrs. Audrey Callaghan, stopping for a brief chat, found herself quickly heeled out of the scrum. Reporters on the touch-line passed her back to the Prime Minister's detective.

Mr. Callaghan firmly handed off a disgruntled civil servant, waved to the window-shoppers, smiled his gratitude for the flow of good wishes, exchanged pleasantries.

All the time, the cameras whirred insatiably.

After a 300-yard run, Mr. Callaghan touched down in a waiting car, and sped off to the council estates of his own constituency.

Mr. Callaghan chatted to the women having tea—and missed an irascible old man searching for a vacant window in which to put his Tory poster.

Back at the City Hall last night, Mr. Callaghan told a Party rally: "We are Labour because we believe in equality.

"We are Labour because we want a better life for all the people. We are Labour because we care deeply about our country, its people and their future.

"We will never let them fall victims to class prejudice, racial intolerance, the neglect of the *sick and the old, and the selfish* philosophy of the free-for-all."

Mr. Callaghan appealed to the floating voter: "Judge us by the facts. Take today's unemployment figures—down again for the thirteenth time in the past 18 months.

"*Take last week's retail price* index—price rises in single figures.

"The slogans are Conservative. The facts are Labour."

Mr. Callaghan said that the Government had brought down unemployment at a time when it had been rising in many European countries.

He pledged that Labour would build a job-creation programme big enough to match the size of the problem. Special employment measures and job-protection schemes would be expanded.

"These are investments of great value . . . because they are investments in people, and especially in our young people."

The problems facing the country in employment and inflation could only be overcome by a united national effort, said Mr. Callaghan. Labour offered a way forward through partnership and co-operation.

Chocolate soldiers in mufti

By Elinor Goodman, Lobby Staff

THE latest in Conservative Central Office's media stunts almost backfired yesterday as journalists were given costume parts in Mrs. Thatcher's travelling picture show.

The setting was the Cadbury Bournville factory near Birmingham, where all visitors apparently have to dress up in white overalls and matching hats.

The rule applied not only to Mrs. Thatcher but also to the retinue of 70 journalists and photographers who precede her wherever she goes so as to be in position to take the best pictures when she arrives.

The result was that by the time Mrs. Thatcher stepped off the bus, the Press corps were dressed up like renegade Spillers flour men.

Lined up on either side of the path, they were indistinguishable from the employees, also there to see her.

Unable to tell the difference between the Press and the real workers, Mrs. Thatcher was momentarily caught off balance. Not for long, though.

Within two seconds, she had ploughed her way through the ranks of journalists and was grasping the hand of a genuine worker.

And in Selly Oak, where the factory is sited, Mrs. Thatcher needs only an extra 326 votes to wrest the seat from that well-known Left-wing scourge of the Tories, Mr. Tom Litterick.

As an astute woman, Mrs. Thatcher should have been able to tell the difference. The journalists were the ones with chocolate in their mouths. The employees rarely eat the stuff.

Moreover, as the Press entourage settled into their uniforms, subtle differences began to emerge. Some, like the man from ITN, managed to look like efficient dentists. Others made their overalls look like grubby mackintoshes within minutes.

Some took on the authority of senior surgeons, while the Daily Mail reporter, as befits an employee of a free enterprise newspaper, looked like a Tesco storeman.

Mrs. Thatcher made her overall seem like an eminently sensible housecoat specially designed by Marks and Spencers for campaign wear.

The only trouble was that the journalists were so delighted with their own bizarre outfits that they barely took any notice of the Tory leader.

Thatcher strikes an evangelical note

BY ELINOR GOODMAN, LOBBY STAFF

IN AN almost evangelical mood, Mrs. Thatcher last night held out a nationalistic vision of a Britain with prosperity and all the traditional values restored.

Speaking in Birmingham, she revived memories of Sir Harold Macmillan and other Conservative heroes of the past, and added law and order and defence to the issues on which the Conservatives would like to fight the election.

Positively revelling in the Russians' description of her as the Iron Maiden, she warned that the West *now stood* in "political peril."

To fight this election without striking a "strong and clear note or warning" about this peril would, she said, be "utterly lacking in political honour."

A Conservative Government would, she promised, restore service pay to the full amount recommended by the Armed Services Pay Board and bring Britain's armed forces up to what she described as a minimum threshold for safety.

A Tory Government was pledged unambiguously to spend more on defence. Of course, this meant increased expenditure—but there would be no home policy at all unless Britain was properly defended.

The tone of her speech was nationalistic throughout and the sometimes emotive language bore out her description of herself as a "conviction politician."

Mrs. Thatcher began by attacking Labour's industrial record and the way it had squandered North Sea oil—"which was put there not, curiously enough, by Mr. Benn but by the Almighty."

The Conservatives would get Britain on the road to recovery. The message to the Midlands, she said, was that the Conservatives were going to put the incentive back into Britain.

"We are not going to stand by and see excellence and effort frittered away by half-baked Government policies."

The Conservatives, she said, were on the side of every worker in the Midlands who would benefit from the policy of "rebuilding our industries on the rock-hard and well-tested foundations of incentive and profit."

Without the wind of change from the Conservatives, there could be no way of halting Britain's industrial decline; and *in the long term that could only* mean there would be no reduction in unemployment.

However, Mrs. Thatcher did not make any direct reference to the employment implications of her party's proposed cuts in public spending.

All she promised was that the next Tory Government would reverse the job-destroying effects of "heavy income tax, penal capital taxes and bad laws like Michael Foot's Employment Protection Act."

Mrs. Thatcher then went on to make her strongest reference yet to the subject of law and order. She promised that a Tory Government would place a "barrier of steel" across the path of social disintegration and decay which *some Labour activists appeared* to want.

'Consensus preferred'

BY CHRISTIAN TYLER, LABOUR EDITOR

EMPLOYERS HAVE been unusually slow to give public support to the Conservatives' plans for legal reform of industrial relations, trade union leaders said yesterday.

Mr. David Basnett, chairman of Trades Unionists for a Labour Victory, said in London: "No employer has made any comment on the legal proposals at all—and the Confederation of British Industry is not slow to make comments."

All the evidence indicated that employers preferred to establish their industrial relations by consensus, not by the law, he said.

He and other members of the joint union campaign committee were replying to Mrs. Thatcher's speech about union "wreckers" and what they called the "innuendo" of the Conservatives' manifesto.

They suggested that employers seemed to prefer the guidance contained in the TUC concordat with Labour "rather than the wild talk of the Conservatives."

"We welcome criticism, but we do expect it to be informed. All we have had so far are the diatribes of the far Right, the unmistakably authentic voice of the ignorant."

Mr. Basnett and Mr. Moss Evans, of the Transport and General Workers Union, accused the Tories of being the real wreckers because of their promise to dismantle many of the industrial and employment aid schemes set up by Labour.

ON THE STUMP

Battle of charisma

BY RAY PERMAN, SCOTTISH CORRESPONDENT

JIMMY REID, clearly in his element, addressing a factory-gate meeting, pulls from his pocket a gold medal from a blue ribbon.

It was presented to him during the height of his fame as leader of the work-in at Upper Clyde Shipbuilders by a group of Scottish Natinalists who had decided to establish their own Honours' List in competition with the one from Downing Street.

The citation was for his fight for Scottish jobs.

They must now be regretting having given him such an endorsement, for Mr. Reid is mounting a strong challenge as the Labour candidate in Dundee East, held since a by-election in 1973 by Mr. Gordon Wilson, deputy leader of the Scottish National Party.

The size of Mr. Wilson's majority (nearly 7,000) makes him, on paper at least, one of the safest of the 11 Nationalist MPs.

But opinion polls show support for the SNP dropping, while Labour continues to gain strength in Scotland: Mr. Reid claims that canvass returns show this pattern being reproduced in the constituency.

The shipyard shop steward feels at home in a town which is predominantly working class and shares many problems with his native Clydeside.

His renown has waned a little since UCS. He is no longer lean and now smokes cigars, but the old fires still burn bright as he attacks capitalism, Mrs. Thatcher, and the "narrow bigotry" of the Nationalists.

He is convinced that Labour supporters will return to their old allegiance, and says he is comfortable in his new role as defender of the Government's record, rather than as a critic of it.

"The five years of Labour Government have to be looked at in the context of a world recession, and the fact that there was no majority in Parliament," he says.

Mr. Reid's charisma is an obvious asset for the Dundee Labour Party, but Mr. Wilson believes that many Tories will vote SNP to prevent Mr. Reid from winning.

Mr. Jimmy Reid

Mr. Brian Townsend, the Conservative candidate, is having to divide his time between the campaign and building up a new business. He expects to win the seat—but not at this election, and perhaps not the next one either.

"In any campaign, you have to sell yourself and I am having to sell myself against two very big names.

"The main problem I have come across is that Gordon Wilson has built up such a strong personal following that it makes him almost impregnable."

CANDIDATES

Gordon Wilson (SNP), Jimmy Reid (Lab), Brian Townsend (C), Charles Brodie (Lib).

Howe wants free float for sterling

By Peter Riddell, Economics Correspondent

STERLING SHOULD be allowed to float as freely as possible, according to Sir Geoffrey Howe, Shadow Chancellor.

In an iterview with Monetary Letter/Europe, a monthly bulletin, Sir Geoffrey said that he would not want a pattern of constant depreciation of the pound, but he would like to see sterling float as freely as possible.

That restatement of the Conservative position represents the first real discussion of exchange-rate policy in the campaign. It is likely, however, to be one of the most pressing questions for any new Chancellor.

The Bank of England stopped intervening on a large scale to hold down sterling a fortnight ago. While the rate has dropped in the past week, that may only be a temporary respite; and studies have been prepared in the Treasury and the Bank on various possible responses to a renewed rise in the pound.

Sir Geoffrey renewed the Conservative commitment to act early to liberalise exchange controls. He said that controls would not be dismantled overnight but argued that a Conservative Government would "want to make steady progress towards a liberal exchange control policy."

The balance of payments benefits of North Sea oil production made controls on capital outflows illogical, he maintained.

Sir Geoffrey confirmed Conservative qualifications about the joint float of EEC currencies in the European Monetary System. He had "substantial reservations" about the durability of the system because of the need to bring about a convergence in economic and monetary policies among the member states.

However, Sir Geoffrey said that he was favourably disposed towards greater exchange rate stability. Conservative Party policies were aimed at reducing inflation, which would enable the pound to join the system: "We would want to bring ourselves into the system."

Promise on British Airways

By Ivor Owen

BEFORE CHANGING the structure of British Airways, a Conservative Government would consult management and staff, Mr. John Nott, trade spokesman, promised yesterday.

In a statement he emphasised the tentative nature of the suggestions by other Conservative leaders that a big stake in the nationalised airline might be offered to private buyers.

He accused the Labour Party of deliberately misrepresenting Conservative intentions.

He admitted, however, that a Conservative Government might consider the possibility of employees' being enabled to have a stake in the future of British Airways.

Ian Hargreaves assesses manifesto plans

Shipyards batten down for new nationalisation storm

NO CHORUS of exultation from Britain's shipyards greeted the confirmation last week in the Conservative Party manifesto of what the industry had for some time suspected: that it was about to be drawn back into the centre of the debate about public ownership.

The truth is that after a two-year fight to stave off nationalisation, followed by a slide int othe deepest shipbuilding depression since the 1930s, most of those who led the fight against public ownership are now too war-weary to want to re-open the campaign.

Even London and Overseas Freighters, the shipping company that owned Britain's most successful merchant shipbuilder, Austin and Pickersgill, has made clear that it will not be investing the £14m that it collected in compensation for the yard in an attempt to re-acquire it.

Austin and Pickersgill was one of the few merchant shipyards in the British Shipbuilders group to remain in the black after vesting day in July 1977, but its pre-tax profit of £0.35m last year on a turnover of £31.5m was hardly exciting.

With the merchant shipbuilding slump unlikely to bottom out before 1980-81 and the prospect of about half the world's yards running out of work in that period, it would be a rare investor who saw the British industry, with its well publicised productivity shortcomings, as an attractive proposition.

The same cannot be said, how*ever, of the warship companies*, Vosper Thornycroft, Vickers Shipbuilding, Yarrow Shipbuilders and Brooke Marine, none of which have so far agreed terms for the assets they lost in 1977.

There have been detailed exchanges between leading Conservative politicians and these companies in the past few months. It might be that a consortium will be formed to bid for the entire warship group of British Shipbuilders *if the Conservatives are given a* chance to fulfil their election manifesto.

However, a private takeover of this still profitable sector of shipbuilding would also present difficulties, such as ensuring a fair share-out of Royal Navy orders between the public and private sectors (British Shipbuilders, through its mixed yards on the Tyne and Mersey, would still retain a warship building capacity): and the attitude of trade unions to the loss of BS's most profitable companies.

The risk would also arise that a future Labour Government might renationalise the yards: a risk that the Conservatives would hope to head off with their manifesto hint that employees would be encouraged to buy shares in yards.

For the bulk of the shipbuilding industry, then, the question of ownership is no longer, if it ever was, very relevant.

The most urgent question is the extent to which the new *Government will go on* subsidising the industry through the crisis or viewed from a different perspective, the degree of firmness it will show at the prospect of the cuts that are inevitable in the industry's labour force and facilities.

Labour's position is to allow British Shipbuilders' losses to *double to £100m this year* and to continue to provide £85m a year in subsidies to help it to win orders.

The present Government has resisted pressure for an across-the-board commitment to cuts, such as the 35 per cent sought by the European Commission and, privately, by British Shipbuilders.

The merit of that approach has been its calming effect on the shipbuilding unions, which have moved with admirable promptness towards central bargaining and a common pay anniversary. It has also, according to the Government, saved more than 19,000 jobs and 14 shipyards, most of them in areas of high unemployment.

If the Conservatives win the election, that state of affairs will challenge party thinking on three grounds: the pledge to reduce public spending; the effect of shipbuilding subsidy on private industry, notably shipowners; and the degree to which t ade unions must be brought in on whatever decisions are taken.

The urgency of those questions suggests that the ownership issue might be submerged, at least for one or two years.

Conservative spokesmen have suggested, however, that there might be scope for a rapid redistribution of power in the industry away from the growing bureaucracy of British Shipbuilders' twin head offices. That, presumably, would also lead to some key personnel changes.

Such a shift in the power structure would accord much more with the style of thinking promulgated by Mr. Graham Day, the Canadian who resigned as chief executive-designate of British Shipbuilders shortly *before nationalisation* because he believed that delays with the legislation had undermined the industry's chances of recovery.

Re-working the management philosophy of the industry will not, however, allow a new Government to avoid the crucial question of empty yards and idle workers and the need to get the industry into a shape where it can compete on price and performance with the shipyards of other advanced countries in the 1980s.

That will require tough decisions, whether made in detail centrally or dictated locally by market conditions and the limitations of public expenditure.

What has most awakened the ire of the Opposition in the present Parliament has been the refusal of the Government publicly to grasp that nettle or even properly to debate the subject in the House of Commons.

It does not, however, require a long memory to recall that it was a shipyard on the Clyde which, eight years ago, forced the Heath Administration to reconsider its policy on industrial lame ducks.

Tories pledge housing finance review

BY IVOR OWEN

MORE PRIVATE sector houses will be built as a result of Conservative policies, says Mr. Michael Heseltine, Tory environment spokesman.

He envisaged a switch of emphasis in the provision of houses by local authorities, and promised an urgent review of housing finance by an incoming Conservative Government.

Mr. Heseltine, speaking at the Conservative Press conference, maintained that the policy of selling off council houses to sitting tenants would prove advantageous to both ratepayers and taxpayers.

He confirmed that council and new town tenants would be given the statutory right to buy their homes at discounts of between 33 per cent and 50 per cent less than market value.

In cases where 100 per cent mortgages were made available, it would be a requirement that the initial repayment must not be lower than the rent being paid at the date of purchase.

Restrictions would be imposed on resale which would ensure that new owners would not be able to sell their properties at once for a substantial capital profit.

These would be phased, with the proportion of profit permitted to be retained by the owner on resale rising from 20 to 100 per cent over a five-year period.

Mr. Heseltine justified his claim that ratepayers and taxpayers will benefit from the sale of council houses in these terms:

"Assume the average sale under our proposals is completed at £5,000, that local authority interest charges are currently 11 per cent, that the house costs £2 per week to repair, and that average rents are £7 per week.

"Then the local authority receives £364 per annum rent and spends £104 per annum on repairs, leaving net receipts per home of £260 per annum.

"Under our proposals, the interest on the capital sale would produce £550 and the authority would have no responsibility for repairs. In other words, on average, each sale makes a surplus of £290 a year for the community."

Stressing the need for a switch of emphasis in the provision of houses by local authorities, Mr. Heseltine pointed out that the average price of a new council home was £14,500.

There was an annual subsidy of something over £1,200 in respect of each tenanted house.

"This must be one of the least efficient ways to provide new homes for the people," he said.

He believed that there must be much greater emphasis on conversion, modernisation and improvement.

Mr. Heseltine asserted that Labour policies had produced a "disgraceful collapse" in the new homes building industry. Falling interest rates under a Conservative Government would assist the industry's revival.

Andrew Taylor writes: A new Housing Bill which pays particular attention to increasing incentives for home improvements, rehabilitation schemes and house repair and maintenance should be speedily introduced by the next Government, says the National Home Improvement Council.

It says Section II of the Housing Bill—which was lost when the election was called—dealt with "some of the more urgent but relatively straightforward issues."

Mr. George Plucknett, chairman of the NHIC, said: "We hope that all candidates, at national and local government level, will recognise the greater significance that now attaches to renovating, maintaining and improving the existing housing stock."

Scots may take the battle into England

Financial Times Reporter

THE Scottish National Party threatened yesterday to contest some marginal constituencies in England, to gain more election television coverage.

In the Court of Session in Edinburgh on Wednesday, Lord Robertson refused the party an injunction preventing the Independent Broadcasting Authority from transmitting in Scotland, up to May 3, political programmes that failed to give the SNP equal television time with the three main UK parties.

Mr. Donald Stewart, Parliamentary leader of the party and candidate for the Western Isles, said in Stornoway yesterday:

"If we have candidates in England, we cannot be as easily brushed aside, as has happened so far by the UK."

Seats such as Berwick-upon-Tweed, Lichfield and Tamworth, and Plymouth, Drake, all with slender majorities, would be considered, and would be liable to change hands because of SNP intervention.

"They are all marginals, contain Scots exiles, and are open to the kind of tactical campaign that could set the cat among the pigeons."

The marginal where sport beats politics

BY PETER RIDDELL

THE ISSUES of the hour in Beeston are whether Nottingham Forest will beat Cologne next Wednesday and, for a minority, whether the Malibu Dogbowl will be allowed to stage big-name pop concerts.

Both, curiously, have some relevance to the election.

Otherwise, there are few signs of the campaign in the Tories' second most marginal seat in England. Less than a third of the 50 voters to whom I spoke one morning had either seen an election poster or received party literature.

A local bookie would not even offer me odds on the result.

If there is little direct personal involvement with the election, however, the voters' comments suggesetd that most had made up their minds about the choice on May 3, and many were interested in the issues.

Those impressions may have more than a local significance. Beeston is seen by each of the main party candidates as Britain writ small.

Indeed, when the Boundary Commissioners created the constituency before the 1974 elections they might almost have been determined to mix together all the main strands of British life.

The constituency, just west of Nottingham, astride the M1, includes a couple of coal mines, some farms, big factory sites (notably Plessey and Boots) and light engineering and textile companies.

The housing ranges from 19th-century rural and mining villages through suburban sprawl to large detached homes. It is also D. H. Lawrence country and the little house where he was born in Eastwood is now a museum.

Politically, the mixture produced almost a dead-heat in October, 1974. The Tory

victory, by 121 votes, probably owed much to Mr. Jim Lester's energetic organisation and strong local connections as a councillor and businessman. Those points stand him in good stead now, since he is reported to have been an assiduous member.

From personal observation, he and his party have built up support in the mining part of the seat; it borders on Ashfield, which the Tories won in a by-election two years ago.

Labour's reply is to highlight Lester's role as Opposition Whip on the Coal Industry Act of 1976, providing for reorganisation and expansion of the industry.

Labour in general appears to be facing an uphill struggle. Mr. Joe Jacob, the candidate, lectures in law at the London School of Economics. Although his strong criticisms of the EEC are now more in the political mainstream, he appears to be a slightly uneasy defender of some of the Government's policies.

He has, for instance, been heavily involved in the freedom of information campaign, preparing a Bill for the National Executive Committee calling for a general right of access in the public sector.

Mr. Jacob has tried to offset Mr. Lester's local pull by being closely involved in battles to preserve jobs. He is enlisting the help of Brian Clough, the Nottingham Forest manager. Clough, he emphasises, is not just any playboy but has a long attachment to the Labour movement.

Although Clough is unlikely to appear in person (because of other commitments, as in Cologne), joint photographs of candidate and manager are likely to appear. Voters to whom I spoke did not seem unduly impressed.

The only other prominent local issue concerns a cut in public spending and that, ironically, may hurt Labour. The Government has announced the closure of the Chilwell Army ordnance depot with an ultimate loss of 1,300 jobs, in the early 1980s.

Otherwise, all candidates agree that the main issues are national. Mr. Lester says voters are concerned about Britain's general decline, the unions, taxes and prices, while Mr. Jacob refers to prices, the sale of council houses, trade unions and Mrs. Thatcher.

My conversations yielded few references to the EEC, law and order, or the unions, but several comments about inflation and unemployment.

None of the voters' comments provided much comfort for the Liberals, who attracted a sixth of the vote in October, 1974. They only adopted a candidate, Mr. Tim Turner, a management accountant at Rolls-Royce, at the beginning of the month.

However, local motives appear to affect the other possible, but so far undeclared, candidate, Mr. Nick Farren, a pop music impresario. He is considering standing as the "Don't Knock the Rock" candidate. That is because of a dispute with the local council over the grant of a licence for big musical clubs. Alas, Mr. Farren proved elusive, and two visits to the Malibu Dogbowl, a former cinema devoted to skateboarding and concerts, provided no elucidation or entertainment.

October, 1974 result: J. Lester (C, 25,095); A. Gardner (Lab. and Co-op), 24,974; S. Reddish (L., 9,658). Conservative majority, 121.

1979 candidates: J. Lester (C), J. Jacob (Lab.), T. Turner (L).

Tomorrow: BIRMINGHAM, SELLY OAK.

Terry Kirk

Mr. Joe Jacob, Labour's candidate

Steel prophesies poll breakthrough

BY JOHN LLOYD

THE LIBERAL Party is "going to make the breakthrough" in the coming election, Mr. David Steel, the Party's leader said last night.

Speaking in Mr. Richard Wainright's constituency of Colne Valley, Mr. Steel said: "People are tird of the old system and are prepared to back a new movement."

Two elections were going on: a phoney one in which the laders debated statistics and answered predictable qustions from the Press: and a real one, among the people in the country.

Earlier, in the marginal constituency of Leominster, Mr. Steel told an open-air meeting: "There is no doubt at all that in the marginal constituencies, things are going the Liberal way.

"The whole territory on the English-Welsh border is ripe for going Liberal."

On his arival in the afternoon at Liverpool, Edge Hill, Mr. Steel posed for photographers with Mr. David Alton, the Liberal who won the seat from Labour on a 32 per cent swing three weeks ago.

Each man held a Punch and Judy puppet, representing Mr. Callaghan and Mrs. Thatcher.

Mr. Steel said: "The significance of the Punch and Judy puppets is this: the two major parties continue to bash away at each other while the country declines.

"And who is holding the puppets? Big business on the one hand and the trade unions on the other."

If the Liberals did well in the coming election, there would be a new kind of majority in the House of Commons: one that represented the people in the country, not just one party.

Referring to the 2,800 redundancies at the Dunlop factory in Liverpool and the threat of 800 more at Plessey in Edge Lane, Mr. Steel said that 130,000 jobs had been lost in Liverpool in the past 10 years, 27,000 in the past 18 months.

However, Liberals were giving new hope to the city. "The Liberals have become the natural party of government in Liverpool."

Liberals cling to hopes of minority government

BY IVOR OWEN

LIBERAL LEADERS remain defiantly optimistic that when the polling booths close on May 3, Britain will still be left with a minority Government.

Their hopes that the new Commons will contain the largest number of Liberal MPs elected since the Second World War were lent emphasis by Lord Evans of Claughton at the Liberal Press Conference

He pointed to the fact that the MORI opinion poll published by the Daily Express yesterday, which showed that the Conservative lead over Labour had increased by two points to 12 per cent, also disclosed that a fifth of those questioned did not want single-party Government.

That, Lord Evans said, confirmed reports coming from Liberals in the field. The party would contest at least 550 constituencies, and he was confident that, as more and more people became aware that they would be able to vote Liberal, there would be further evidence that the stranglehold of the two big parties would be broken.

Mr. David Steel, the Liberal leader, on a tour of the West Midlands and the Welsh border country, reaffirmed his confident belief that the party is poised to capture more seats.

"I know there is going to be a larger Liberal team in the next Parliament," he declared.

Liberal housing policy was summed up as "home rule for all," by Mr. David Alton, who set the party's electoral hopes soaring by his by-election victory at Liverpool, Edge Hill.

In sharp contrast to Conservative proposals, he explained, the Liberals would give every tenant, whether in a council house or a property owned by a private landlord, the right to buy their own home.

Landlords would be properly compensated, Mr. Alton promised.

EEC taunt for Thatcher

BY JOHN HUNT

MR. JOHN SILKIN, Minister for Agriculture, carried the battle over EEC policy into Mrs. Thatcher's constituency of Barnet, Finchley, last night.

The Conservatives, he said, were trying to play down the issue because they had sold out Britain's interests in the entry negotiations.

Mr. Silkin challenged Mrs. Thatcher to say why she and the Tory Cabinet had agreed to put up food prices to high Continental levels, doubling the price of butter.

Mr. Anthony Wedgwood Benn, Energy Secretary, taking up the theme, said that every man, woman and child in the UK was paying £20 a year to be in the EEC.

Technical Page

EDITED BY ARTHUR BENNETT AND TED SCHOETERS

● COMPUTING

Speeds the production of drawings

A COMPUTER aided design system called Dragon has been launched by Compeda (an NRDC subsidiary), with an eye on the first-time user of such techniques in small or large companies.

The hardware required is a graphics crt terminal which can be linked either to an in-house computer or to a bureau and it is claimed that Dragon takes less than 1 per cent of the time needed to produce modified final drawings compared with manual drawing methods.

Cost of the software is £15,000 for outright purchase or £8,000 a year on lease—described by the company as "less than the annual cost of a draughtsman."

Drawing tasks that can be performed with Dragon include the normal orthographic views and sections of engineering drawing, pipework and instrumentation diagrams, electrical schematics, logic and circuit diagrams and part-drawing, part-text tasks such as forms design, specification sheets and critical path networks.

Seated at the terminal the engineer uses either the associated keyboard and cursor control, or an interconnected graphics tablet digitiser to place lines where he wants them on the screen, and in the form he wants them. For example, a rectangle with stated sides can be placed with one corner at a desired location, or a circle of a specified diameter can be described at a chosen centre.

The operator's view of the drawing can be "zoomed," shapes can be moved, scaled, rotated, copied or deleted; for electrical schematics and process control the user can draw on a menu of standard symbols, or if these are insufficient he can design his own and add them to the library for future use.

Dragon can write text in several founts and can be used for text editing. The data can be positioned anywhere on the drawing, to any size and at any angle; messages can be justified or centred automatically.

More from Compeda at Walkern Road, Stevenage, Herts SG1 3QP (0438 56123).

Keeps track of parts

DEVELOPED BY Applied Research of Cambridge, 4, Jesus Lane, Cambridge CB5 8BA (0223 65015) is a minicomputer-based system which is intended to keep track of and provide data about the components and elements used and progressively introduced during the process of an engineering design.

Called engineering record management system (ERMS), it is an interactive multi-user system: as data about the project grows (the database is continually updated by members of the design team), up-to-date descriptions of its parts can be obtained using VDU or teletype terminals. A simple *high-level command language* is used, specific to the system.

● RESEARCH AND DEVELOPMENT

More efficient car engines in prospect

AFTER A period of over half a century in which the engineering contents of the motor car for the most part have changed only by elaboration of the same basic principles, it now seems certain that some quite different ideas will soon emerge in production vehicles.

They are being impressed on the industry by two important factors: the forthcoming serious scarcity of petrol with its concomitant price escalation, and the emergence of quite cheap intelligent control electronics based on the ubiquitous "silicon chip."

Lucas has recently made announcements about solenoid operated engine valves which, operated electrically without direct reference to engine revolutions, clearly open the way to computer control of induction and exhaust functions, allowing, in theory at any rate, *perfect optimisation of valve timing at every moment.*

Lucas has also revealed fuel injection systems (they could be controlled by the same microprocessor) that would at the same time permit optimisation of the mixture over the entire speed and load range of the engine. Prospective fuel savings in this area alone are said to lie between five and 25 per cent.

The important point about these systems is that they can obtain — via the cheap micro and associated sensors — all the data about speed, induction vacuum, temperature, air pressure and even the nature of the exhaust gases necessary to optimise performance at any moment. Such luxuries have never been available to engine designers in the past because even if the data had been economically measurable, it could never have been manipulated to give instant correction to valve timing and mixture. Ignition timing, already electronic in a few cars —would be similarly controllable.

Not unnaturally, things have progressed further in the U.S. where Ford is setting up a pilot production line at Dearborn to find out if it can successfully make its new PROCO engine *(the name is an acronym for "programmed combustion").*

The claim for PROCO is that it will virtually equal the diesel engine in terms of efficiency, offer 20 per cent better economy than that of current piston engines and run on low grade 91 octane lead-free petrol.

A combustion bowl is set in the crown of each piston and fuel is injected directly from above where it mixes with a blend of air and re-cycled exhaust gases. Inlet port angle for the gases is chosen to give swirl while the effect of the bowl is to stir the gases. Then, with the fuel directly injected in the cylinder top (rather than the use of a carburettor or indirect injection into the manifold), the fuel can apparently be made to ignite at much leaner levels.

In this design the fuel is injected concentrically with the exhaust gas/air mixture, the timing controlled by overhead tappet-like gear; but no doubt it could be independently controlled by electronics.

Timing and fuel metering are critical, however, and both are varied with the speed of the engine and the load applied to it, so that no petrol is wasted.

Thus, if the engine is idling or cruising at low speed, very little fuel is needed and it is injected late in the cycle just before the dual sparking plugs fire. When accelerating or driving fast more fuel is injected earlier to allow more time for it to vaporise and mix.

The engine can be run at compression ratios of 11 to one due to the facts that the fuel evaporates within the cylinder and the combustion pattern is so well controlled. The injection pattern takes the form of a variable-sized core of combustible mixture surrounded by air/exhaust gas, allowing a small quantity of fuel to ignite in a larger dilution than would be possible if it were evenly distributed.

Ford states that such engines "could be available for public sale early in the 1980s."

Interestingly, a similar engine development has been in progress for some years in the UK by a small Cambridge company called Epicam. Called turbulence controlled induction, it makes use of a specially designed grid on the upstream surface of the inlet valve, the engine being otherwise conventional.

Here the claim is also a 20 per cent improvement in fuel economy, with compression ratios of 15 to 1 and a cruising fuel/air ratio of 1:20. Epicam claims that in production volume the additional cost would be only £10 per cylinder, but the company does not seem to have interested any engine makers.

Meanwhile the semiconductor manufacturers are beginning to offer devices suitable for control and the arduous conditions of a motor-car. Typical is the COP400 four bit device from National Semiconductor which, apart from engine control can undertake tasks in journey computers, instrument panel systems and even entertainment equipment.

A quite exotic application of this device has already been made in the U.S.—a computerised, push button seat adjuster. Any driver using the car adjusts the seat for eight variables and these are kept in the micro memory, maintained from the car battery. When he comes back to the car after someone else has used it, he simply presses the proper memory key and the seat adjusts itself to his personal dimensions.

To find the position of the motor-driven seat, sensors are positioned in relation to seat gears, counting teeth and sending the information to the micro.

Although they are really the icing on the cake, these changes together with the more fundamental mechanical/electrical ones likely to be announced by most of the major car companies in the next year or two, will make the motor car a very different proposition by 1990.

GEOFFREY CHARLISH

● VENTILATION

On-the-roof cooling towers

RANGE OF modular open- and closed-circuit cooling towers are lighter, smaller, and more compact than any other designs yet introduced by Actair International, Penarth Road, Cardiff (0222 387873).

They are particularly suitable for roof-top installation as part of the air conditioning system of a new office or hotel where the towers' low maximum height of 2.50 metres can frequently help architects to increase the usable height of the building without exceeding planning conditions, claims the company.

Towers employ fire-retardant fill of pleated, close-mesh polyethylene to provide an increased surface area for rapid heat transfer, aided by a large-diameter fan in each module to allow an upward airflow.

Distributes the rising warm air

A COMMON enough problem in industrial buildings, particularly where significant wattage is being generated by process plant, is that excess heat energy exists in the upper levels of air.

Proper distribution of this should result in energy saving and to bring this about W. G. Cannon Air Engineering, The Broadway, Wimbledon, London SW19 1RL (01-540 3381) has introduced a controlled fan system called Ener-Jet.

It consists of fan, motorised dampers, weather shield and housing, together with thermostatic controls. Air is drawn in at rates required for ventilation and is blown through a long length of flexible plastics sleeving which normally is supported in a "deflated" condition from the roof members by wires.

With the unit on, the sleeve assumes the shape of a cylindrical distribution duct and jets of air are released into the building through holes located along the length of the sleeve, reducing the temperature differential and mixing the air.

● PROCESSES

Measures and mixes

IT IS possible to measure out and blend three materials on a continuous basis with the aid of a machine devised by MJP Machinery of Altham Industrial Estate, Burnley Road, Altham, Accrington, Lancs. (0282 78121).

Particularly suitable for metering and blending materials used in the plastics industry at rates up to 1000 kg per hour, the unit only requires connection to an electricity supply to be fully operational.

It has a three compartment hopper, two compartments having vibratory feeds and one a short screw metering unit.

Each compartment is fitted with a switch which stops the unit if the material volumes fall below predetermined levels.

The first compartment feeds a vibratory unit which in turn discharges its metered contents via a mixing chamber into the main conveying mechanism. The central compartment discharges into an accurate metering screw which is electronically controlled and variable in speed.

The third compartment, which is slightly smaller than the other two, empties its contents by means of a second vibrator to the mixing chamber, providing an initial pre-mix of the three materials. The pre-mix is then allowed to fall into the main conveying system. Finally, the products are thoroughly mixed before being conveyed to further processing equipment.

● PRINTING

Computer-aided typesetting

SPL INTERNATIONAL and Coltec Data Systems have jointly developed a new computer-aided photo-typesetting system, replacing the existing Coltec range.

The package will run on the PDP 11 range of processors with Ciltec on-line keyboards and video editing terminals. Processor power, memory and disc storage capacity can be tailored to meet the needs of customers, and being of modular design, the system can cater both for hardware expansion within the client's company and the addition of extra software routines.

Editorial and classified lineage, semi-display and display copy can all be fed directly into the system via on-line keyboards. The text is automatically hyphenated and justified before being presented for proof reading. Copy can be recalled to a video editing terminal for correction if necessary, and can then be released for storage in a customer-specified sequence.

A single command causes the system to present all material for a specific edition to any customer-designated photo-typesetter, or if required, to a paper tape punch for hot metal line-casting machines.

Simplicity of operation contributes to greater speed in processing advertisements and editorial matter, which in turn should lead to later copy deadlines. The system can also be used as a data base from which statistical information can be obtained, e.g. for forecasting space requirements for future editions.

Intended specifically for the British and European market, it is aimed at medium-sized publications. The first system will be installed at the premises of the Lancashire Evening Post in Preston.

Systems Programming, 12/14 Windmill Street, London W1P 1HF. 01-636 7833.

● COMPONENTS

A bearing on reliability

AN AGE-OLD problem with belt conveyors of the heavy duty variety used to move bulk raw materials is that if a bearing failure occurs in one of the hundreds (perhaps thousands) of idler rollers its detection may not take place until it has wrought havoc to the rubber belting itself.

The rollers cannot be made infinitely reliable: however, there is room for improvement according to M. E. Mechanical Handling, Newark Road, Peterborough (0733 65558).

This company has produced an upgrading in its idler range by (among other things) putting the bearings outboard rather than inboard of the cylinder itself. In this way the bearing housing and associated seal can be designed to prevent the ingress of grit (often water-assisted) which is a common reason for bearing failure in most systems.

Use has also been made of a "finger" seal which flexes under centrifugal force and reduces seal friction at higher speeds. Combined with the lower weight of the whole design, there is a reduction in losses and higher mechanical efficiency.

Reducing valve

AVAILABLE FROM IMI Bailey Valves, Sharp Street, Worley Manchester, M28 5NA (061-790 7741) is a direct acting reducing valve designed to give increased flow and capacity characteristics by means of an improved body and effectively guided main valve.

The unit is relatively compact to give easy fitting in confined spaces and because entry is gained to all parts through the top, maintenance is simplified. A toughened stainless steel main valve and seat is used.

Ceramic magnet motors

AIMED AT a wide variety of prime mover applications in the 80 to 180 watt (0.1 to 0.25 hp) range, three new dc machines from Small Electric Motors, Kangley Bridge Road, Sydenham, London SE26 5AS (01-659 4021) make use of the latest barium ferrite ceramic magnet material.

All are totally enclosed and have a diameter of 76 mm, the length being 163, 198 or 236 mm for the 80, 120 and 180 watt models respectively. Standard voltages are 24/36/48 volts dc and two lead reversing is possible since there is no field winding.

● METALWORKING

Copies and nibbles

PUT ON the U.K. market by *Trumpf Machine Tools*, Lyon Way, St. Albans, Herts AL4 0L1 (St. Albans 31111) is a copy nibbling machine which by means of a photo-electric line follower produces cut-outs in sheet metal up to 6 mm thick, from a 1:1 drawing.

It is designed for small batch work and one-off jobs where the production of a template would be uneconomical.

The optical following unit, mounted on a guide rail, recognises the drawing held on the machine's 1250 x 2000 mm table and generates a voltage signal for both axes which is transformed into movement by the electro-hydraulic drives. The line follower projects a symbol of the nibbling punch and an arrow on to the drawing to ensure clockwise and anticlockwise operations for internal and external contour nibbling respectively.

Nibbling is by a hollow punch working into a guide pin, eliminating off-centre loading: the pin also acts as a feed stop permitting any direction of cut and ensuring a consistently good finish.

Cuts with less waste

PRECISION OF a power hacksaw is assured by a bow guidance system, while material wastage is reduced by the patented hydraulic method which permits efficient cutting with a single pitch blade, says Rivers Machinery, Winnall, Winchester, Hants SO23 7RX (0962 60371).

With a cutting capacity of up to 22 inches diameter rounds and 18½ inch square bar, the EBS 560 metal hacksaw has six cutting speeds ranging from 32 strokes at 46 feet per minute right up to 76 strokes at 118 feet per minute.

Because one blade can be used on a wide range of material, 80 per cent of all cut-off jobs can be carried out economically, says the company.

THE MANAGEMENT PAGE

EDITED BY CHRISTOPHER LORENZ

Ray Perman on Stonefield Vehicles, one of the Scottish Development Agency's headaches

Bumpy ride for a bold Scottish enterprise

SOME MEN are born entrepreneurs, able to carry an idea through from inception to fulfilment almost by the force of their own energy and commitment alone. Many companies owe their prosperity and some their continued existence to such people. But what happens to a company created by one man when it suddenly loses its driving force?

Stonefield Vehicles was in that position two years ago when Jim McKelvie, a Scottish businessman with a remarkable record of success behind him, died suddenly. The company was entering the difficult market of motor manufacture dominated by big groups; it depended heavily on McKelvie and could easily have died with him. In fact it has survived and now looks to have a promising future. But in the course of its transition from being controlled and managed by one man to being more broadly based, it has had to overcome a number of setbacks.

McKelvie, was successively and successfully a transport operator, salesman and manufacturer. After running the British franchise for Volvo trucks, he set up the Ailsa commercial vehicles plant at Irvine, Ayrshire, (now owned by Volvo). He conceived the Stonefield project in 1974. He had long believed that there was a gap in the four-wheel drive market for a medium vehicle of between 1.5 and 3 tonnes—bigger than the Land Rover but more rugged and versatile than heavier lorries. He commissioned a design from Norman Watson, who had worked with him at Ailsa, and, in an old laundry that gave the vehicle its name, built his first prototype.

Its concept was simple. It was to be based on a rigid, strong chassis and to have four-wheel drive of the "Ferguson formula" design. Other than that, its components were largely standard: engines bought from Ford and Chrysler, automatic gearboxes from Borg Warner, axles from GKN. It would be easy to make, easy to drive and easy to service.

The success of the first models and a market survey which indicated there was a potential for sales of 2,000 vehicles a year, mostly overseas, convinced McKelvie to go ahead. He registered the company, taking 51 per cent of the equity himself and persuading the Scottish Development Agency, Scottish cousin of the National Enterprise Board, to take the remainder. He found a factory in Cumnock, Ayrshire, and in the late spring of 1977 he moved in. A few months later he died. Well under 100 vehicles have been sold so far.

Family stake

The McKelvie family wanted to retain a stake in the company, but were not interested in managing it, so the problem of what to do with Stonefield fell on the agency. Then only two years old and still finding its feet, the SDA had a difficult choice. It had been convinced that the company was viable with McKelvie at the helm, it now had to be assured it could make good without him. In a nutshell, it had to identify what the company had lost when it lost its creator, and find ways of replacing it.

The first step was to ask John Barber, former managing director of British Leyland, to set up a team with high level experience in the motor industry to evaluate Stonefield's chances. His report confirmed the initial impression of the likely market, although it pointed to some difficulties.

The SDA, however, was satisfied that further investment would be justified, and increased its stake from £1m to £3m, making Stonefield Vehicles a 75 per cent owned subsidiary of the Agency. There was now, at least, enough money to get into full production, but there were other problems to be faced. McKelvie had given the company more than his cash; his reputation and contacts had also given it credibility.

"The vehicle relies to a major extent on components that are bought in; we had to ensure credibility with our suppliers," says Hugh Jack, the SDA's industry director. "We had to look for a man who was well known in the industry—known to suppliers and to potential customers—and who knew enough about the project to be prepared to lend his name to it."

The agency approached Bernard Jackman who, as a former managing director of Land Rover, knew the four-wheel drive market and was widely known in the industry. He had also worked with John Barber on the evaluation report, so he already knew the company. Last summer he agreed to become non-executive chairman, in effect giving his personal endorsement to the company.

But there was still a gap in the day-to-day management. Still with an eye on how the rest of the industry would regard Stonefield, the SDA wanted a man with experience who was prepared to tie his career to a small and as yet unproved company. The man it found was Derek White, previously with GKN and Rockwell, who was appointed managing director six months ago.

White, a professional manager as well as an engineer, is slowly reorganising the structure of the company to give more information on its progress and performance and to devolve management from the centre. But his attempts to professionalise a previously personalised management have had to take second place to dealing with some of the short term marketing problems Stonefield was encountering.

By this time considerable interest had been shown in the vehicles and a number had been sold, but orders were not coming in as fast as had been thought. Some satisfied customers, mostly public utilities, were coming back for more, but the big buyers, particularly the British and some overseas armies, were taking time to test the vehicles and make up their minds.

In addition, the company had run into difficulties in finding UK distributors. "We found that the major motor manufacturers were doing more than discouraging their dealers from taking the vehicle; they would actually not let them do so," says Derek White. "This was particularly important in the case of BL because the ideal people to sell the Stonefield would have been Land Rover distributors who knew the four-wheel drive market. The two vehicles were so different that we did not think the Stonefield would have detracted from the Land Rover. BL's hostility made it very difficult to establish a UK distributor network."

In expectation of a fast build-up in orders, the workforce had been increased to around 150. This February more than 40 production workers had to be laid-off. The move brought bitter criticism from the local newspaper, but it says a lot for the commitment of the workforce and unions to the project that it was accepted with quiet resignation in the factory.

Taking time

John Barber, who is now acting as a marketing consultant for the company, believes that the difficulties in launching a new product had been underestimated when the company was first set up. "If the vehicle had come out with Ford written on the front it would have automatically gone into the Ford network with all the power behind it, and it would have sold. But for a small company getting a name known is a very gradual process. You cannot afford to take TV spots and whole-page advertisements in the national newspapers."

Credibility is still a problem. However impressed they might be with the vehicle itself, prospective customers still want some reassurance about the company. Not only is the name Stonefield Vehicles unknown, the Scottish Development Agency is still an unknown quantity south of the border and abroad. The involvement of men respected in the industry helps, but essentially the vehicle and the company has to earn their reputations, and that is taking time.

There is much discussion in the company and the agency about how Stonefield would have fared in its initial stages had Jim McKelvie still been involved. The feeling is that he would have been able to sell sufficient vehicles through his contacts in the transport and commercial vehicle industries to see the company over some of the credibility gap. How long the advantage would have lasted is another question.

Experience so far has taught Stonefield some lessons. "There was an initial misconception about how the vehicle would sell," says Derek White. "There was an impression that it would sell like a car, the customer would see it in the showroom, like it and buy it. But it is not like that—it is a technical product which sells on its technical features to technical men."

Another illusion to disappear is that finding a gap in the market in itself guarantees sales. Looked at objectively, an operator may have a need for a medium-capacity, rough-terrain vehicle, but if he has been making do with something else for years he may not perceive the need himself and it may be difficult to persuade him to change.

A new venture which had been planned, perhaps by a big group with inexperience in marketing, rather than being the inspiration of one man, might have anticipated some of these problems and held back production.

Stonefield has had to come to terms with what its own limitations are. On John Barber's advice, the company has approached several large export houses with experience of handling commercial vehicles, and will work through them outside Europe. "It would be lovely not to have a middle man taking a cut of the money, but it is totally unrealistic for a company the size we are to think we can cover the world. One of the organisations we are talking to established itself selling BMWs. If BMW were prepared to use them, who are we to say we could do better on our own?" Derek White comments.

And the company is trying to develop the range of uses for the vehicle. Up to now it has largely been left to customers to find their own specialist body-makers, since it is made only with a pick-up body. But Stonefield hopes to establish its own links with companies which, for example, specialise in fire engine or ambulance bodies or manufacture winches, lifting gear or other equipment.

A number of different roles—military, fire service, crash tenders, ambulances—had always been envisaged, but several buyers have gone beyond that. Ferranti uses a Stonefield as a mobile test bed for electronic equipment; Marconi, Sony and several television companies have loaded vehicles with outside broadcast equipment. The Building Research Establishment have one to house a mobile drilling rig.

Derek White with a rugged cross-country Stonefield truck for Humberside fire brigade.

How to plan and use your office

By Francis Duffy

The Working Office. By Geoffrey Salmon, The Design Council, £4.60. Available from Design Council Bookshop, 28 Haymarket, London SW1.

VIEWS ON the office environment tend to be extreme. Probably this is because we are all so disappointed at never quite discovering the alchemist's stone that will turn problem offices into gold. So we are either violently for the open plan or obstinately stuck on cellular. The office we have just visited is either a palace or a slum. Nothing is plain or ordinary. All decisions are big scale, black or white, all or nothing.

The book by Geoffrey Salmon, an architect, is refreshingly different. It is not at all fanatical. You don't have to make an act of faith.

In three other, and major, ways it is a very helpful book.

Firstly, *The Working Office* is aimed, for a change, not at the big guns of the office world, but at the vast majority of us who work in smallish businesses which have limited resources and have to put up with short leases in indifferent buildings. It is not aimed at the multinationals who have real estate departments to look after everything, but at small businessmen who have to use their brains to solve their own problems.

Secondly, Geoffrey Salmon is very liberal in his interpretation of office design. The book is not just about Design in the sense of colour and form but brings together a lot of valuable advice about a wide variety of office problems, such as what kind of telephone or filing system to select, as well as the more predictable topics such as choosing a carpet or a desk.

Appalling

The book's information is organised in a very clear way with good, straightforward diagrams which jump out of the page, hide nothing and which are more useful by complementary checklists.

The third reason is the most important. It is certainly true that many British offices are appalling to work in. Geoffrey Salmon has managed to reveal something of what a good architect can do to improve the office. A thinking architect is not just concerned with the way things look—although that is very important—but also about how the office can be planned to work harder.

Look for example at the sketch (page 25) of a small conference room—not quite a silk purse out of a sow's ear but certainly a sensible proposal, thoughtfully presented and at least a hundred times more practical than the majority of the small meeting rooms which I visit, and in which I can't set up a slide projector, nor draw a diagram, nor even hear what is being said.

This capacity to improve is the true architect's skill. If Geoffrey Salmon has succeeded in giving ordinary small office users a glimpse of how an architect works, and how he could possibly help, then the Design Centre has gone some way to justify its existence.

Francis Duffy is a partner in the firm of architects DEGW (Duffy, Eley, Giffone, Worthington).

Business Courses

Commercial Negotiating, London. June 11-15. Fee: £325. Details from Course Registrar, Commercial Negotiating, London Business School, Sussex Place, Regents Park, London NW1 4SA.

Management Skills for Newly-Appointed Managers, London. June 20-22. Details from AMR International, 6-10 Frederick Close, Stanhope Place, London W2 2HD.

Understanding Business Finance—For Directors, London. May 21-22. Fee: £95 plus VAT. Details from Mobile Training and Exhibitions, Imperial Buildings, 56 Kingsway, London WC2 6DX.

Multinational Telecommunications: Opportunities, Costs and Constraints, London. June 19-21. Fee: £275. Details from Online, Cleveland Road, Uxbridge UB8 2DD.

Social Forecasting for Business Planning, Bradford. June 12-15. Fee: £150. Details from Director of Social Forecasting for Business Planning Course, University of Bradford Management Centre, Heaton Mount, Keighley Road, Bradford, West Yorkshire, BD9 4JU.

The Skills of Purchasing, Perthshire, Scotland. June 25-29. Fee: £220. Details from Purchasing Economics, Pel House, 35 Station Square, Petts Wood, Kent BR5 1LZ.

The Entrepreneurial Business Man, Surrey. June 14-15. Details from Eurotech Management Development Service, PO Box 28, Camberley, Surrey GU16 5HR.

New Product Planning and Development, Brussels. June 13-15. Details from The Registrar, Management Centre Europe, avenue des Arts 4, B-1040 Brussels, Belgium.

International Seminar on Corporate Planning, Geneva. June 18-29. Fee: SFr 5,000. Details from The Admissions Secretary, Centre d'Etudes Industrielles, 4 chemin des Conches, CH-1231 Conches-Geneva, Switzerland.

Supplier Evaluation and Audit, Buckinghamshire. June 12-14. Fee: £140 plus VAT. Details from Conference Secretary, Executant, 29 Octagon Parade, High Wycombe, Buckinghamshire.

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ANNUAL GENERAL MEETING OF SHAREHOLDERS

to be held on 17th May, 1979, at 10.30 a.m. in the "Nederlands Congresgebouw", 10 Churchillplein, The Hague, The Netherlands.

AGENDA:

1. Annual Report for 1978.
2. Finalization of the Balance Sheet and the Profit and Loss Account together with the Notes thereto for 1978 and declaration of the dividend for 1978.
3. Appointment of a member of the Board of Management.
4. Appointment of a member of the Supervisory Board.

This agenda and the documents pertaining thereto are available for inspection and may be obtained by shareholders free of charge at the Company's office, 30 Carel van Bylandtlaan, The Hague, and at the head offices of the banks mentioned below. The nominations for the appointments referred to under the items 3 and 4 are available for inspection by shareholders at the Company's office.

A. Holders of share certificates to bearer may—either in person or by proxy—attend and address the meeting and exercise voting rights if their share certificates, or evidence that their certificates are held in open custody by De Nederlandsche Bank N.V., are deposited against receipt not later than 11th May, 1979, at one of the banks mentioned below, viz.:

In The Netherlands
Algemene Bank Nederland N.V.; Amsterdam-Rotterdam Bank N.V.; Bank Van der Hoop Offers N.V.; Bank Mees & Hope NV; Banque de Paris et des Pays-Bas N.V.; Kas-Associatie N.V.; Pierson, Heldring & Pierson N.V.

In Austria
Creditanstalt-Bankverein, Vienna; Österreichische Länderbank AG, Vienna; Schoeller & Co., Vienna.

In Belgium
Société Générale de Banque S.A., Brussels; Crédit Lyonnais, Brussels; Kredietbank N.V., Brussels.

In France
Lazard Frères & Cie, Paris.

In Germany
Deutsche Bank AG, Frankfurt/Main, Düsseldorf, Hamburg or Munich; Dresdner Bank AG, Frankfurt/Main, Düsseldorf, Hamburg, Munich or Saarbrücken; Deutsche Bank Berlin AG, Berlin; Bank für Handel und Industrie AG, Berlin; Deutsche Bank Saar AG, Saarbrücken.

In Luxembourg
Banque Internationale à Luxembourg S.A., Luxembourg.

In Switzerland
Schweizerische Kreditanstalt, Zürich; Schweizerischer Bankverein, Basle; Schweizerische Bankgesellschaft, Zürich; Bank Leu AG, Zürich; Pictet & Cie, Geneva.

In the United Kingdom
N.M. Rothschild & Sons Limited, London.

In the United States of America
The Chase Manhattan Bank, N.A., New York.

B. Holders of registered shares may—either in person or by proxy—attend the meeting and exercise the aforementioned rights if they make known to the Company in writing not later than 10th May, 1979, their desire to do so:

with respect to shares of The Hague Registry:
at the Company's office at The Hague;
with respect to shares of Amsterdam Registry:
at the office of Algemene Bank Nederland N.V., C.K.E., P.O. Box 2230, Breda, The Netherlands;
with respect to shares of New York Registry:
at the office of The Chase Manhattan Bank, N.A., New York.

The Hague, 20th April, 1979. The Supervisory Board

THE PROPERTY MARKET

BY MICHAEL CASSELL

BR developments steam on

THE BRITISH RAIL Property Board's efforts to join the ranks of major national developers do not seem to have been inhibited by a legal straightjacket which prevents it from actually buying development land.

The Board, which administers all British Rail's property affairs, including sales, purchases, development and management ended 1978 with 43 developments underway on its land throughout the UK. These involved about 4½m sq ft of office, retail, warehousing and industrial space.

Gross income from lettings rose by 15 per cent to £34.2m. Another £800,000 was generated from nonproperty activities such as Sealink and British Rail Engineerings. Net profits reached £25.4m, a 16 per cent increase over 1977.

Only on rare occasions can the Board purchase non-BR land and property for development—usually when space adjoining a development site forms an essential part of a project. But although the Board apparently works well under the type of restriction which would create nightmares for other developers, it does share other common problems. Not the least of these is Development Land Tax.

The thorny topic of DLT was raised by the Board this week when it unveiled its 1978 figures. Mr. Robert Lawrence, Board chairman, said the tax was hitting hard at their operations, and continuing efforts were being made to convince the authorities of its impact on major development projects.

Mr. Lawrence said the Board last year faced a DLT bill on income from lettings of £1.6m, up from £600,000 in the year before. At the same time DLT liabilities on sales totalled £1.3m against £500,000 in 1977.

Apart from making what is by now the developers' obligatory call for an easing of the tax, the Board is also pressing its case for special treatment for nationalised undertakings and for its own operations in particular.

Viability

Most of its development activities involve a mix of renewed BR rail terminal schemes and the type of commercial development which makes a project viable. The Board now wants to establish a situation in which the costs of developing the BR element of any such project would constitute an allowable expense when DLT liability arises on profits from the commercial side of the scheme.

Projects like the Liverpool Street and Broad Street redevelopment scheme depend on the satisfactory settlement of the DLT issue the Board says. Unless it is permitted to offset costs of the railway portion of mixed development schemes against the profit from the commercial element, then its viability is extremely doubtful.

While at least some of this stance may be put down to tactics, there is always the chance that the prospects of heavy DLT liabilities could prove the final undoing of the scheme if other complications arose. As it is, the project is now to undergo a complete reappraisal following the Department of the Environment's decision that certain parts of the old station complex will have to be retained.

The Board also has another DLT-associated problem; that of determining the existing use value of much of its development land. To place an accurate value on an old marshalling yard can tax the most knowledgeable of brains. And the Board has clearly not liked the marked upgrading in values—and hence the higher DLT liability—which some old sites have undergone. The suggestion is that such sites should be given a value which reflects that of the land immediately around it.

Mr. Lawrence also took the opportunity this week to reply to allegations still being made about land hoarding. He said the Board's record on land disposal was a good one, but emphasised that many of the sites sold off in recent years had still to be developed. Criticism arose because land no longer in the Board's ownership still appeared to be railway property.

Sales of surplus land in 1978 reached just over 3,300 acres—a figure likely to be matched or exceeded this year—bringing the total sold since 1963 to 76,000 acres, and raising £213.3m overall.

But inspite of a fairly detailed account of recent land transactions, the Board has to admit that it does not actually know the precise extent of its present land holdings.

Latest estimates suggest that the Board has around 1,400 miles of unsold, unused closed branch lines, equivalent to 17,000-20,000 acres, but sales can be expected to progress slowly in a market where developed plots one-mile long and 100 ft wide do not command a premium. Even so, disposals in the last ten years have accounted for about 4,600 miles of such strip land.

But in addition there is something like 4,000-5,000 acres of more useful development land, all of which is likely to play a part in the Board's future development or sales programme.

Over the past year, the Board has notched up one or two notable development triumphs. It let the Euston Square development to Fluor (Great Britain), and completed nine major development schemes.

At present, work is nearing completion on the 595,000 sq ft Lloyds Bank building, Sampson House, at the north end of Blackfriars Bridge.

Other schemes include the Haydon Square development on the eastern boundaries of the City, a 407,000 sq ft light industrial and warehousing project in Norwich, and 250,000 sq ft of office and shopping complexes in Walsall and Sutton.

Industrial rent rise essential

THE VIABILITY of industrial development outside the south-east and a few major regional centres will have to be re-appraised unless there is a substantial rise in rents, according to agents Debenham Tewson and Chinnocks.

In a report—"Economics of Industrial Development"—Debenhams say that, given the likelihood of building cost inflation at a rate in excess of one per cent a month, many centres will need substantial rental increases in order to support further development.

The agents have assessed the viability of industrial and warehouse development by examining the components of costs and values prevailing at the beginning of this year. They have also projected the possible situation for schemes at the start of 1980 on the basis of anticipated building cost inflation.

Building costs, according to the report, are likely to be the most significant factor in determining the viability of developments, especially in those centres where current rental levels are only marginally less than the agent's estimates of required rental value.

Based on present estimates of building costs of £11 per sq. ft. for example, rents in Nottingham would have to increase by 15 per cent to attain viable levels, while units built at £10 per sq. ft. require only a 5 per cent increase. By 1980, when costs are anticipated to have reached £12.50 per sq. ft., rents in that location would have had to rise by almost 30 per cent.

Land Secs: As you were

LORD SAMUEL, who has turned Land Securities Investment Trust into one of the world's largest property concerns, resigns as group managing director at the end of this month.

But his departure from the post will not end the powerful influence he has exercised over the group's affairs for more than 35 years.

As executive chairman of the group, Lord Samuel will remain firmly at the helm of Land Securities, and the property concern's new managing director Mr. Peter Hunt, stresses that there will be no dilution of Lord Samuel's role following the board changes.

"We will continue the same management style and operation as we have always done," he emphasises.

Land Securities' success owes much to the influence of Lord Samuel, the former estate agent, who acquired LSIT for £20,000 in 1944. It was then a small property company owning just three houses in Kensington.

Lord Samuel, who is 67 on Monday, now heads an organisation controlling properties valued at more than £825m in the group's last accounts.

In the intervening years, this quiet man who shuns personal publicity has guided LSIT through the boom and slump years of the 1970s to become one of the most respected figures in the UK property industry.

He has concentrated almost entirely in UK real estate in spite of brief flirtations with overseas markets. LSIT, which came to the forefront of British property groups with its acquisition of City of London Real Property and City Centre Properties in 1968-69, made its mark by concentrating largely on central London properties.

While Lord Samuel will remain the main force inside LSIT for some time yet, the question of who will take over his role when he eventually retires will continue to fascinate the property world.

Dividend yield 'back to the fore'

ATTITUDES to property companies seem to be coming full circle. Over the past few months share prices have risen to the point where there is only a slim discount to net asset values; in some cases even a premium.

But a recent circular from Quilter Hilton, Goodison, the stockbrokers, argues that investors have chased prices up, not in anticipation of substantial new growth in assets, but on the basis of more traditional factors.

Mr. Naresh Gudka, Quilter's property analyst, says: "The more traditional measure of worth—dividend yield" is coming back to the fore.

The slowdown in development activity is eliminating a major source of asset growth in the future, so asset value is unlikely to increase dramatically. But, by way of more than compensation, "the coincidence of rent reviews and reversion is leading to much higher earnings, and this should continue for another five years."

This bunching of income increases has been known for some time. But where Quilter's bulletin makes fascinating reading, is in its analysis of what this could mean for dividend payments.

Mr. Gudka starts from the assumption that property companies traditionally distribute a high proportion of earnings as dividends, so, as a yardstick he assumes maximum distribution.

He also assumes that dividend restraint will be abolished. Applying those principles over a period of five years to 1982-1983, and discounting at the rate of 15 per cent, he arrives at powerful dividend growth among the leaders.

Great Portland, for example, could show an estimated equated dividend for the current year of 16.35p to give a yield of 5.92 per cent on a share price of 276p. Stock Conversion could show 23.16p for a yield of 6.77 per cent, and Slough Estates' payment could equate to 13.27p for a yield of 8.29 per cent.

Advisedly, however, Mr. Gudka does not throw the baby out with the bath water. He still believes that asset values have a place in property analysis. They are still the best defence against cheeky, undervalued bids. They also provide a brake on a market which might otherwise overheat because "psychologically, investors are reluctant to pay a premium over asset value, despite excellent dividend prospects."

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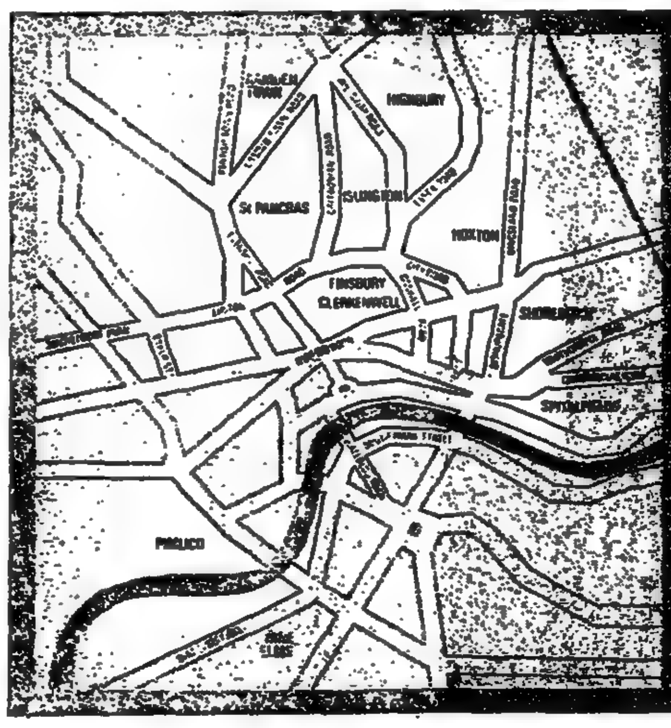

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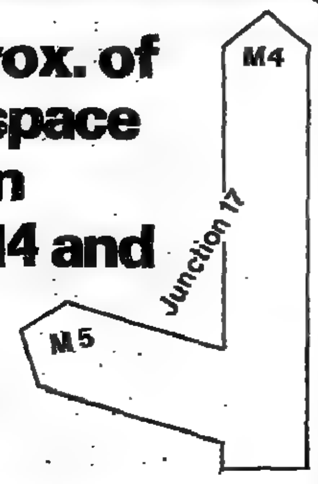

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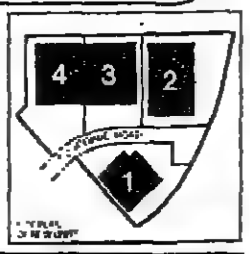

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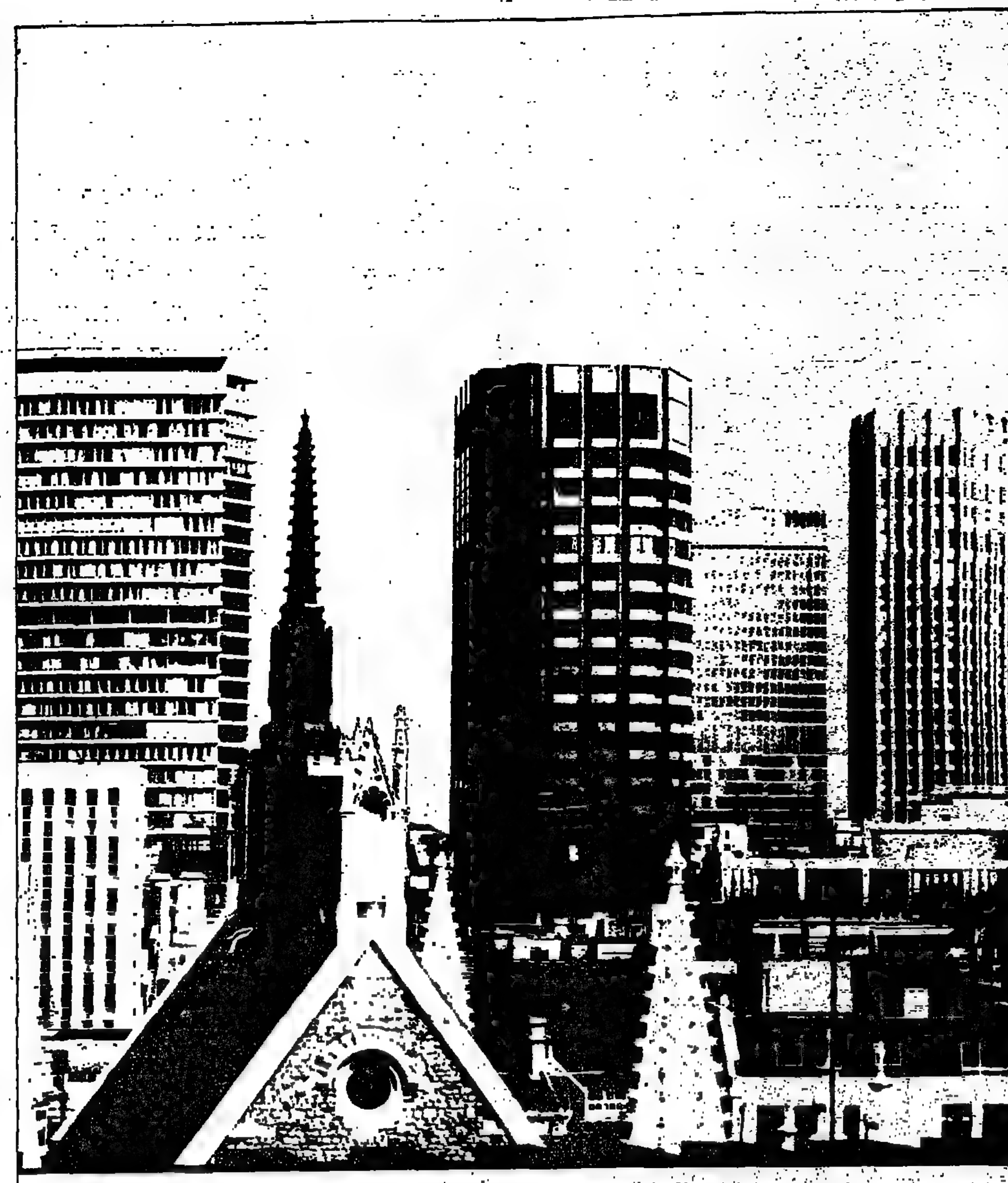

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A FINANCIAL TIMES SURVEY

INTERNATIONAL PROPERTY

WEDNESDAY MAY 30th 1979

The Financial Times proposes to publish a survey on International Property on Wednesday May 30th 1979. The main headings of the provisional editorial synopsis are set out below.

INTRODUCTION: Property investment away *from home markets remains an activity* tempered with a good degree of caution. Has the flow abroad of UK investment funds increased?

Too much money is apparently still chasing too few institutional-quality property investments. Have fund managers shown themselves any more prepared to accept "secondary quality" propositions? How much recent development has been in response to institutional buying pressure rather than projected demand from tenants? The bright spots on the international property map.

THE MARKETS

The remainder of the survey will carry reviews of the property market in the following places:

EUROPE: THE NETHERLANDS ● BELGIUM ● FRANCE
WEST GERMANY ● ITALY ● IRELAND ● SCANDINAVIA
EASTERN EUROPE ● SPAIN
NORTH AMERICA: UNITED STATES ● CANADA
SOUTH AMERICA: BRAZIL
AFRICA: REPUBLIC OF SOUTH AFRICA ● NIGERIA
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FAR EAST: HONG KONG ● SINGAPORE ● JAPAN
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For further details on editorial content and advertising please contact:
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Further information can be obtained from the Responsible *of the Record Office, Dr. Calella.*

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PUBLIC NOTICES

BRIGHTON B.C.
£1.1m bills issued, 18th April 1979 due 18th July 1979 at 11⅛%. Total applications £4.4m. No other bills outstanding.

CHELTENHAM BOROUGH COUNCIL
£0.25m bills issued 18 April due 18 July 1979 at 11¹⁄₁₆%. Applications totalled £1m. No other bills outstanding.

TORBAY BOROUGH COUNCIL
£0.4m bills placed 18 April due 18 July 1979 at 11⅛%. *No other bills outstanding.*

CITY OF EDINBURGH DISTRICT COUNCIL PROMISSORY NOTES
£1,500,000 Bills maturing on 18th July 1979 were offered and issued on *18th April 1979 at an average rate of* 11⅛% p.a. Total application for this issue amounted to £13,500,000 and there *are* £3,500,000 Bills outstanding.

LONDON BOROUGH OF REDBRIDGE BILLS
Amounting to £1,000,000 maturing on the 17th July 1979 were issued on the *17th April 1979 at the average discount* rate of 11.34375 per cent per annum. Applications totalled £11,000,000. The total amount of Bills in issue is £2,500,000.
G. U. Price, Borough Treasurer.

WILTSHIRE COUNTY COUNCIL BILLS
£1,050,000 bills issued 20 April 1979, due *20 July 1979 at 11¹⁄₁₆%. Applications* totalled £9.45 million. These are the only bills outstanding.

CITY OF DUNDEE DISTRICT COUNCIL
£1,500,000 bills issued 18.4.79 to mature 17.10.79 at a rate of 10¾% p.a. Total applications were £9.1m and these are the only outstanding bills.

TAYSIDE REGIONAL COUNCIL
£2m bills issued 19.4.79 to mature 18.7.79 at a rate of 11⁵⁄₁₆% p.a. Total applications were £16.5m. Total outstanding £2m.

MET. BOROUGH OF WOLVERHAMPTON
£5m *bills issued 18th April 1979.* Due 17th October 1979 at 10½%. Total applications £54m. No other bills outstanding.

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COMPANY NOTICES

NOTICE OF RATE OF INTEREST

Union Bank of Finland Ltd.
(Incorporated in Finland with limited liability)

US $30,000,000

Floating Rate Capital Notes due 1982

In accordance with the provisions of the Agency Agreement between Union Bank of Finland Ltd., and Citibank, N.A., dated as of 20 April, 1977, notice is hereby given that the Rate of Interest has been fixed at 11⅜% and that the interest payable on the relevant Interest Payment Date 22 October, 1979 against Coupon No. 5 will be US$56.85 and has been computed on the actual number of days elapsed (185) divided by 360.

By: Citibank, N.A., London
Agent Bank

20 April, 1979

UNION CORPORATION LIMITED

(Incorporated in the Republic of South Africa)

NOTICE TO MEMBERS

Due to industrial action in the United Kingdom, it has not been possible to arrange for the annual report and accounts to reach all members of the Corporation within the period laid down under the South African Companies Act. Accordingly the annual general meeting scheduled for 25 April, 1979 has been cancelled and a new notice of meeting appears below.

ANNUAL GENERAL MEETING

Notice is hereby given that the annual general meeting of members of Union Corporation Limited will be held in the board room on the ground floor, Union Corporation Building, 74/78 Marshall Street, Johannesburg on Tuesday, 15 May 1979 at 12 noon for the following business:

(1) To receive and consider the annual financial statements for the year ended 31 December 1978.

(2) To elect directors in accordance with the Corporation's articles of association.

NOTE.

A member entitled to attend and vote at the meeting may appoint one or more proxies to attend, speak and, on a poll, to vote in his stead. The proxy need *not be a member of the Corporation. Forms of proxy must be returned to the* Johannesburg office or the London transfer office of the Corporation at least forty-eight hours before the time appointed for the meeting.
Holders of share warrants to bearer desirous of attending in person or by proxy, or of voting at the meeting, must comply with the relevant conditions governing share warrants to bearer, particulars of which are obtainable from the Johannesburg office or the office of the London Secretaries or from the office of the Corporation's continental agents as advertised.

By Order of the Board,
P. HURST, Secretary.

Union Corporation Building,
74-78 Marshall Street,
Johannesburg 2001.
17th April, 1979

Copies of the full report and accounts can be obtained from:—

London Secretaries, Princes House, 95 Gresham Street, London, EC2V 7BS.	Lloyds Bank International (France) Limited, 43 Boulevard des Capucines, 75061 Paris 02, BP 7807.
Credit Suisse, *Paradeplatz*, 8021 Zurich.	
Swiss Bank Corporation, 1 Aeschenvorstadt, 4002 Basle.	Banque de l'Indochine et de Suez, 96 Boulevard Haussmann, 75361 Paris 8e, BP 71608.

E.N.E.L.

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Notice is hereby given to bondholders of the above loan that the Deutsche Mark (1 ECU = DM 3.66) has been selected as payment currency for drawn debentures and coupon number 8.

The drawn debentures and coupon No. 8 will be payable on or after May 1, 1979, by the paying agents mentioned on the debentures.

Fiscal Agent,
KREDIETBANK
S. A. Luxembourgeoise

LOMBARD

A warning on U.S. takeovers

BY NICHOLAS COLCHESTER

ONE OF THE reasons why European companies now see a merger or acquisition in the U.S. as such an attractive proposition is that the U.S. is the "last bastion of capitalism." Another reason is that American companies are cheap. And things that are cheap in bastions of capitalism . . . need to have their tyres kicked quite firmly.

The latest statistics out of the U.S. show that American industry is consuming itself at an unprecedented pace. In the first quarter of this year the total bill for announced mergers and acquisitions was $10.9bn up from $6.5bn a year earlier. Out of a total number of 580 deals made public the number involving foreigners almost doubled from 37 to 63.

Salesmen

The rationale behind many of the mergers within the U.S. is that the rotten performance of the U.S. Stock Market so far this decade has made it cheaper for a company to acquire the existing productive capacity of another company than to build new plant itself.

The rosy view of this situation, which is peddled by Wall Street stock salesmen, is that the Dow Jones index has not kept pace with inflation, that the merger wave proves stock prices to be absurdly low and that a long line of worthy foreign companies — Siemens, Bayer, Thomas Tilling, National Westminster, Unilever and many more—cannot all be wrong.

Part of the recent wave of U.S. mergers may arise out of fear that Congress will pass stiffer legislation to limit self-aggrandisement by acquisition. But the underlying motive *remains the disparity between* the new price and the Stock Market price of industrial capacity.

That this is the case is not merely a happy aberration but an ominous comment on U.S. industry's view of itself. Today's merger wave is not one of the late 'sixties type when American industry was heading for the moon and acquisitions plus technology plus capital resources plus "synergy" would bend the laws of business mathematics.

The spirit of this merger wave seems different. American managements, conditioned to grow, are seeking growth by buying slices of the existing economic cake rather than by investing in the prospect that the cake will get bigger. The second-hand factory is cheaper than a new one mainly because of a broad-based suspicion that the new one will not pay. This aversion towards new capital investment is borne out by recent figures for plant investment in the U.S.

One explanation for the merger boom is that U.S. companies are less valuable to investors, who only receive dividends, than to corporations which can consolidate profits and use cash flow, but this argument surely won't wash. If it were true there would only be a handful of companies quoted on the New York Stock Exchange today. Stock prices must, at least broadly, reflect the value of that stock to all potential purchasers.

This rather dispiriting view of industrial America is reinforced by other pointers. The world's reassessment of the value of the dollar may be narrowly ascribed to energy consumption but it is rooted, surely, in widespread doubt about the dynamism of American industry. The country which invented the micro-circuit should not have a struggling consumer electronics industry, or be a net importer of machine tools and motor vehicles.

For all America's scientific skill, its technological drive seems to be fading. Business Week reported that by 1978 research spending by U.S. Government and industry was in real terms, 6 per cent below the peak of 1976 and that basic research spending by industry had slipped 12 per cent over the preceding decade.

Bargain

This line of thought makes one suspicious of the broad strategic decision taken by some European companies to "expand into the U.S." There may be a strong specific case for an American purchase—to acquire new technology, to exploit unused export potential or to share in the growth of one of America's fast growing areas like the South West. But major acquisitions of banks, store chains and basic industrial enterprises in the slow-growing north-eastern part of the U.S. need persuasive explanation. In America, more than anywhere else, a bargain basement price is telling you something.

Uphill farming

AROUND BRITAIN

CUMBRIA

BY JOHN GRIFFITHS

MOST OF the tourists thronging the Pennines on the sunniest Easter holiday for years took little notice. But for anyone stopping his car high on Hartside, where the A686 rises to 1,900 feet in its passage from the Cumbria market town of Penrith to the fields of County Durham, all the signs were there to be read:

A snowbank far up on the fellside, fast-melting yet still 12 feet high; grey boulders like hundreds of others but the surfaces of which lifted and stirred in the wind; and, less ambiguously, a sheep, its neck broken, staring sightlessly from a ledge hanging over the road.

Winter's legacy to the farmers of Cumbria and Northumberland, and in particular to the hill farmers whose livelihood is pegged almost exclusively to the hardy breed of hill sheep, is one of depleted stock, miles of fencing and walling smashed down by snow, bills for bought-in feed estimated to be up to three times those for the winter of 1977, and uncertainty as to the survival prospects of many of their ewes and the lambs which they are now in the process of producing.

Farmers are notorious for being reluctant to own up to a bad year; even more to a good. But in common with their counterparts in Wales and elsewhere in the North, the farmers of the Pennines make no bones about this having been the worst winter in living memory.

Joe Raine and his two brothers, who farm in the fell country around Lazonby, a few miles north-east of where the M6 motorway by-passes Penrith, are better placed than most: they have a mix of hill and lower-lying land extending to several thousand acres, and were able to bring most of their sheep to the relative safety of the lower ground. Even so, there have been losses: 200 of Robert Raine's flock of 1,100 have died, buried by snow or drowned on the fells of nearby Outhwaite; a few miles to the east, John Richardson knows for certain of 100 casualties among his flock at Underbank, near Alston. And in the Station Hotel next to Penrith's agricultural auction mart, where farmers gathered on Tuesday to mull over the high prices just received at auction for rentals of summer grazing land ("£130 an acre—they're crackers," muttered one ancient farmer at the auction ringside), the talk is mainly of losses: everyone knows someone who has lost 50 here, 100 there, and similar tales can be heard all through the Pennines.

It is the sheer length of the winter, as much as its severity, which has wreaked so much havoc. Joe Raine has not been back to the hillsides since December 28, after the first storms had struck with a savagery which not even the winter of 1947 exceeded. "It was a huge problem even getting to the sheep, let alone bringing them down," he recalls.

Low lands

Not unnaturally, it is those farmers who do not have a reservoir of low lands who have suffered the worst. But like the black-faced Swaledale sheep which predominate on the higher hills, the farmers of the fells are a hardy breed, with an "into the knacker's yard and start again philosophy."

But this year losses have struck them a hard blow. The final toll will not be revealed for some days yet, until the last of the snow clears from the deep gullies which have yet to yield their dead. But what concerns the farmers equally is the future wellbeing both of the surviving ewes and this year's crop of lambs.

Lambing now is at or near its peak on the lower farms; and starting in earnest on those higher up. A high proportion of twins are being born, indeed, in terms of numbers the ewes are proving more prolific than expected; but many of them, though fed hard on hay and roots since December, are lacking flesh and the bodily reserves needed to provide adequate milk for their young. The problem has been exacerbated by the previous mild winters of the 1970s; most of the hill sheep have never experienced really severe winter conditions. The result is that both the ewes and many of the lambs being born are weak. In good years, twins, even triplets, are the welcome outward manifestation of the progress made in recent years towards the breeding-in of better proficiency and improvements in nutrition and land management.

But in years such as this, many a ewe will be hard put to keep two lambs alive. A further contributor to this year's problems, however, is seen by some as being the creation of the farmers themselves. Increased competition to produce bigger lambs for the spring sales has encouraged a trend towards earlier lambing with its attendant risks of being hit by bad weather.

Norman Little, who as assistant managing director of auctioneers Penrith Farmers' and Kidd's runs the sheep sales at the major centres of Penrith and Lazonby, hazards an estimate that there will be 20 per cent fewer lambs available in the Cumbria and Northumberland markets this year.

The snows have receded; the problems remain.

Breeding ewes will be scarce, too, as farmer are likely to hang on to their stock the sooner to rebuild this year's losses. Nevertheless, thanks to what they admit have been very good years during the 1970s, with an abundance of stock and firm prices, most farmers are better placed than on many previous occasions to weather this year's storms.

Robin Raine estimates that even allowing for the hay grown on the Raines' own farms, the cost of continuous feeding that has gone on since the end of December in the form of bought-in hay, roots and feeding blocks to be £4.50 per head; another farmer, who has bought all his feed for the lambs acquired last September to fatten for the spring sales, estimates his cost to be nearer to £10 per head. Those lambs at last autumn's sales cost £23 per head, but prices fetched at the first of the spring sales, which have yet to start in earnest, have been around £26 —certainly a loss. The market for ewes with lambs has yet to be tested.

Last month, to take account of the winter's losses, the Ministry of Agriculture announced an extra subsidy of 50p on breeding ewes, raising the subsidy for this year to £4.10.

It was a measure treated with some derision by the Pennine farmers—"my old Blue Leicester ewes could eat that for breakfast," one farmer commented.

Euphrate is Piggott's choice

RACING

BY DOMINIC WIGAN

THE Fred Darling Stakes, which a year ago saw one of the major upsets of the spring with Shapina easy conqueror of Cherry Hinton, could well provide us with a more informative classic guide at Newbury today, for Euphrate looks poised to underline her 1,000 Guineas prospects.

The Luca Cumani-trained filly, withdrawn from yesterday's *Nell Gwynn Stakes in order to* have a crack at today's race, had three runs as a juvenile.

Unplaced when extremely backward on her debut, Euphrate then showed vastly improved form to dispose of Kim's Habit (a winner on his previous appearance) in a minor event at Redcar.

Her last appearance came in a competitive and valuable seven-furlong event at York. There the Royal and Regal filly, a half-sister to Galiani, went down by 2½ lengths to Jubilee, not having the smoothest of passages.

The subject of some highly encouraging homework reports and the choice of Lester Piggott in preference to Topsy, Euphrate can reinforce Luca Cumani's good opinion of her by beating Innini, who got bogged down in the Salisbury mud ten days ago.

Dick Hern, whose West Ilsley runners always command a great deal of support on this, his local course, landed a division of the Spring Maiden Stakes a year ago through Latin Luck, and it could well be that the Queen's Buttress will do the trick for him this time.

A rangy chestnut by Busted out of Albany, who has already produced English Harbour, Buttress caught my eye with an encouraging run at Newmarket in October. There the royal colt might well have reached the frame in a 26-runner race won by Atatcho had he been racing on the far rails.

He came out best of those on the stand side to take seventh place, a position he would certainly have improved on with a little further to go.

Sure to be ideally suited by the 11 furlongs today, Buttress should get off the mark provided he can cope with Jarvis Bay, who put up an encouraging display on his only previous appearance. Jarvis Bay, Peter Walwyn-trained half-brother to Pasty, was not disgraced in a race won by Martial Arts at Doncaster last November.

Walwyn and his stable jockey, Pat Eddery, are likely to be on the mark with both Mill Street and Kampala, who will be representing their dam, State Pension, in successive races.

Mill Street, a powerful son of Mill Reef, landed a maiden event at Nottingham in July and a handicap at Lingfield in August.

NEWBURY

2.00—Kasland
2.30—Buttress*
3.00—Heywood Hardy
3.30—Eurphrate**
4.00—Mill Street**
4.30—Kampala

TV Radio

BBC 1

† Indicates programme in black and white.

9.55 am The Wombles. 10.00 Jackanory. 10.15 Laff-a-Lympics. 10.35-11.00 Why Don't You . . . ? 12.40 pm News. 1.00 Pebble Mill. 1.45-2.00 Heads and Tails. 3.25 Teliffant. 3.53 Regional News for England (except London). 3.55 Play School. 4.20 Cartoon. 4.40 What Do You Watch? 5.05 Lassie. 5.35 The Perishers.
5.40 News.
5.55 Nationwide (London and South-East only).
6.20 Nationwide, Mrs. Thatcher interview.
7.00 Wonder Woman.
7.50 Ronnie Corbett Special.
8.30 Open All Hours.
9.00 Election Broadcast.
9.10 News.
9.40 Petrocelli.
10.30 Campaign Report '79.
11.10 Fivepenny Piece.
11.40 Regional News; Weather.
11.45-1.35 am "Tobruk" (film) with Rock Hudson.

All Regions as BBC 1 except at the following times:—

Scotland—5.55-6.20 pm Reporting Scotland. 11.10-11.40 The Beechgrove Garden.

Wales—1.45-2.00 pm O Dan Y Mor. 5.5-6.20 Wales Today. 7.00-7.20 Heddiw. 7.20-7.50 Dewch I'r Ardd. 11.10-11.40 A Land Against the Light.

Northern Ireland — 3.53-3.55 Northern Ireland News. 5.55-6.20 Scene Around Six. 11.10-11.40 William Young.

England—5.55-6.20 pm Look East (Norwich); Look North (Leeds, Manchester, Newcastle); Midlands Today (Birmingham); Points West (Bristol); South Today (Southampton); Spotlight South-West (Plymouth). 11.10-11.40 East: Variations; Midlands: The Garden Game; North: Springtime with Geoffrey Smith; North-East: Mike on Friday; North-West: Sense of Place; South: Island from the Sea; South-West: Peninsula; West: Day Out.

BBC 2

11.00 am Play School (as BBC 1 3.55 pm).
6.55 pm Snooker.
7.20 News.
7.30 Heads and Tales.
7.45 Gardeners' World.
8.10 Chronicle.
9.00 Election Broadcast.
9.10 Macbeth: Verdi's opera.
11.30 News and the Hustings.
12.10 am Snooker.

LONDON

9.30 am Noddy. 9.40 Cartoon. 9.50 Who's Afraid of Opera? 10.15 Electric Theatre Show. 11.10 Wild Canada. 12.00 Song Book. 12.10 pm Stepping Stones. 12.30 The Cedar Tree. 1.00 News. 1.20 Thames News. 1.30 Home and Design. 2.00 After Noon Plus. 3.20 You're Only Young Twice. 3.50 The Sullivans. 4.15 A Bunch of Fives. 4.45 Magpie. 5.15 Thames Sport.
5.45 News.
6.00 Thames at Six.
6.30 Emmerdale Farm.
7.00 Mork and Mindy.
7.30 Winner Takes All.
8.00 Flambards.
9.00 Party Election Broadcast —Labour.
9.10 After Julius.
10.10 News.
10.50 Police 5.
11.00 The London Programme.
12.00 Soap.
12.30 am Close with Maxwell Muller.

ANGLIA

9.30 am Captain Nemo. 9.35 Snooker. 11.10 Country Comes West. 11.35 Weir's Way. 1.25 pm Anglia News. 2.25 "Mobile Two" (film), starring Jackie Cooper. 5.15 University Challenge. 6.00 About Anglia. 7.00 Father Dear Father. 7.30 Gambit. 10.50 Campaign Challenge. 11.00 "Witness For The Prosecution" (film), starring Tyrone Power. 1.25 am Women Who Matter.

ATV

9.40 am Butlin's Darts Championship. 10.10 Tennis. 10.25 Snooker. 10.50 "Huckleberry Finn" (film), starring Ron Howard. 1.20 pm ATV Newsdesk. 3.20 On the First Day of Christmas. 5.15 Happy Days. 6.00 ATV Today. 7.00 Jim Davidson Show. 10.50 Mary Hartman, Mary Hartman. 11.20-1.20 am "Reflections in a Golden Eye" (film), starring Elizabeth Taylor.

BORDER

9.30 am Cartoon. 9.50 Clue Club. 10.15 Electric Theatre Show. 11.10 Country Comes West. 11.30 Weir's Way. 1.20 pm Border News. 2.25 "That Was the West That Was" (film), starring Ben Murphy. 5.15 Garnock Way. 6.00 Lookaround. 6.30 The Dog Show. 7.00 Father Dear Father. 10.50 Border Journey. 11.20 Mallord. 12.40 am Border News.

CHANNEL

1.18 pm Channel News. 2.25 "Target Risk" (film). 5.15 Emmerdale Farm. 6.00 Report at Six. 6.35 Lucan. 10.10 News. 10.48 Channel News and Weather. 10.55 "The Mercenaries" (film). 12.35 am News and Weather in French.

GRAMPIAN

9.30 First Thing. 9.35 The Three Musketeers. 10.20 Lassie. 10.45 Captain Scarlet. 11.10 Country Comes West. 11.35 Weir's Way. 1.20 pm Grampian News. 5.15 Emmerdale Farm. 6.00 Grampian Today. †6.35 Sportscall. †7.30 Andy's Party. 10.50 Reflections. †10.55 "Moon of the Wolf" (film), starring David Janssen. 12.15 am Grampian Headlines.

GRANADA

9.30 am Sesame Street. 10.25 Focus on Wildlife. 10.55 Funky Phantom. 11.15 Picture Box. 11.30 The Beatles. 11.45 A Handful of Songs. 1.20 pm Dodo. 2.25 "The Imposter" (film), starring Paul Hecht. 5.15 University Challenge. 6.00 *Granada Reports*. 6.30 Kic Off. 7.00 Didn't Quite Make It For Christmas Video Show. 10.50 Darts World Knockout Cup. 11.25 "What's the Mater with Helen" (film), starring Debbie Reynolds.

HTV

9.30 am Animated Classics. 10.10 Electric Theatre Show. 11.05 Country Comes West. 11.30 Weir's Way. 1.20 pm Report West. 1.25 Report Wales. 5.15 Gambit. 6.00 Report West. 6.15 Report Wales. 6.30 Report Extra. 7.00 Emmerdale Farm. 10.55-12.20 am "The Underworld Story" (film), starring Dan Duryea.

HTV Cymru/Wales—As HTV General Service except: 1.20-1.25 Penawdau Newyddion. 4.15-4.45 Cwingen Ar Brawf. 6.00-6.15 Y Dydd. 10.55-11.25 Braine Darts Tournament. 11.25-12.20 am The New Avengers.

HTV West—As HTV General Service except: 1.20-1.30 pm Report West Headlines. 6.00-6.30 Report West.

SCOTTISH

9.30 Monet in London. 9.50 Stationary Ark. 11.10 Country Comes West. 11.35 You Can Make It. 5.15 pm Gambit. †6.00 Scotland Today. 7.00 Video Show. †10.50 Ways and Means. †11.20 Late Call. 11.25 Love Story.

SOUTHERN

9.30 am Stationary Ark. 9.55 Little House on the Prairie. †10.45 Three Musketeers. 1.20 pm Southern News. 2.25 "In Name Only" (film), starring Michael Callan. 5.15 Happy Days. 6.00 *Day by Day. 6.00 Scene South East.* 6.30 People's Choice. 10.50 Weekend. 10.55 Southern Report. 11.25 Southern News. 11.35 Soap Ep. 23. 12.05 am "Murders in the rue Morgue" (film).

TYNE TEES

9.20 am The Good Word and North East News. 9.25 The Lost Island. 9.50 Inner Space. 11.10 Country Comes West. 11.35 Weir's Way. 1.20 pm North East News and Lookaround. 2.00 After Noon Plus. †2.25 "One Way Street" (film), starring James Mason. 5.15 Laverne and Shirley. 6.00 Northern Life. 6.25 Sportstime. 7.00 Alright Now! 10.50 Friday Live. 12.00 A Twist in the Tale. 12.55 am Epilogue.

ULSTER

11.10 am Country Comes West. 11.35 Weir's Way. 1.20 pm Lunchtime. 2.25 "An Inspector Calls" (film), starring Alister Sim. 4.13 Ulster News Headlines. 5.15 Gambit. 6.00 Good Evening Ulster. 6.30 Sportscast. 10.30 "Five Fingers" (film), starring James Mason. 12.30 am Bedtime.

WESTWARD

9.25 am Friends of Man. 9.50 Rolf Harris. 11.00 Country Comes West. 11.35 Weir's Way. 12.27 pm Gus Honeybun. 1.20 Westward News. 2.25 "Target Risk (film), starring Bo Svenson. 5.15 Emmerdale Farm. 6.00 Westward Diary. 6.35 Time Out. 7.00 Southwest Showcase. 10.52 Westward News. 10.56 "The Mercenaries" (film), starring Rod Taylor. 12.35 am Faith for Life.

YORKSHIRE

9.30 am Wild, Wild World of Animals. 10.00 Cartoon. 10.10 Oscar. 10.25 Robin Hoodnik. 11.10 The Lost Islands. 11.35 Beachcombers. 1.20 pm Calendar News. 2.25 "Punch and Jody" ()migfi R: ETAO SHR ETAOIN Jody" (film), starring Glen Ford. 6.15 Give Us a Clue. 6.00 Calendar. 6.35 Calendar Sport. 10.50-12.15 am "North by North-west" (Hitchcock film), starring Cary Grant.

Radio Wavelengths

1	1053kHz/285m 1089kHz/275m	3	1215kHz/247m & 90-92.5vhf stereo
2	693kHz/433m 909kHz/330m & 88-91vhf stereo	4	200kHz/1500m & 92.95vhf

BBC Radio London: 1458kHz, 206m & 94.9vhf

Capital Radio: 1548kHz, 194m & 95.8vhf

London Broadcasting: 1151kHz, 261m & 97.3vhf

RADIO 1

(S) Stereophonic broadcast

5.00 am As Radio 2. 6.00 Dave Lee Travis. 9.00 Simon Bates. 11.31 Paul Burnett. 2.00 pm Tony Blackburn. 4.31 Kid Jensen. 8.00 Andy Peebles. 9.50 Newsbeat. 10.00 The Friday Rock Show (S). 12.00-5.00 am As Radio 2.

RADIO 2

5.00 am News Summary. 5.02 Tony Brandon (S). 7.32 Terry Wogan (S) including 8.27 Racing Bulletin and 8.45 Pause for Thought. 10.03 Jimmy Young (S). 12.15 pm Waggoners' Walk. 12.30 Pete Murray's Open House (S). 2.30 David Hamilton (S) including Racing from Newbury. 4.30 Waggoners' Walk. 4.45 Sports Desk. 4.47 John Dunn (S). 5.45 Sports Desk. 6.40 *Party Political Broadcast by the Labour* Party. 6.45 Sports Desk. 7.02 Listen to Les (S). 7.30 Fiesta de Dorita (S) 8.00 Ronnie Aldrich (S). 8.45 Friday Night is Music Night (S). 9.55 Sports Desk. 10.02 Jim Macleod and his Band (S). 11.02 Brian Matthew with Round Midnight including 12.00-12.10 am News. 2.02-5.00 am You and the Night and the Music (S).

RADIO 3

6.55 am Weather. 7.00 News. 7.05 Overture (S). 8.00 News. 8.05 Morning Concert (S). 9.00 News. 9.05 This Week's Composer: Delius (S). 10.00 Young Artists Recital: Haydn, Beethoven, Britten (S). 11.00 BBC Northern Ireland Orchestra concert (S). 11.45 Bartok (S). 12.15 pm BBC Northern SO concert, part 1: Mendelssohn, Finzi (S). 1.00 News. 1.05 Playbill (S). 1.20 BBC Northern SO, part 2: Szymanowski (S). 2.00 Royal Repertoire ballet music by Bennett, Williamson (S). 3.30 Medtner (S). 4.20 The Beecham Legacy—concert. 5.25 Homeward Bound (S). 5.45 News. 5.50 Homeward Bound. 6.15 At Home—Concert: Chopin, Mendelssohn. 7.10 Dowland (S). 7.30 BBC Symphony *Orchestra concert, part 1: Berlioz, Elgar* (S). 8.40 Upon the Resurrection. 9.00 BBC SO part 2: Stravinsky (S). 9.30 Drama Now (S). 10.30 Bach the Arranger (S). 11.00 Interpretations on Record (S). 11.55-12.00 News.

RADIO 4

6.00 am News Briefing. 6.10 Farming Today. 6.25 Shipping forecast. 6.30 Today, including 6.45 Prayer for the Day. 7.00, 8.00 Today's News, 7.30, 8.30 News headlines, 7.45 Thought for the Day. 8.50 Election Broadcast. 9.00 News. 9.05 Election Call. 10.00 News. *10.05 From Our Own Correspondent.* 10.30 Service. 10.45 Story. 11.00 Down Your Way. 11.45 Listen with Mother. 12.00 News. 12.02 pm You and Yours. 12.27 My Music (S). 12.55 Weather: programme news. 1.00 The World at One. 1.40 The Archers. 1.55 Shipping forecast. 2.00 News. 2.02 Woman's Hour. 3.00 News. 3.05 She (S). 4.35 Story Time. 5.00 PM News magazine. 5.50 Shipping forecast. 5.55 Weather: programme news. 6.00 News. 6.30 Going Places. 7.00 News. 7.05 The Archers. 7.20 Pick of the Week (S). 8.10 Profile. 8.30 Any Questions? 9.15 Letter from America. 9.30 Kaleidoscope. 9.59 Weather. 10.00 The World Tonight. 11.00 Book at Bedtime. 11.15 Financial World. 11.25 Election Platform. 11.50 Just Before Midnight. 12.05 am News.

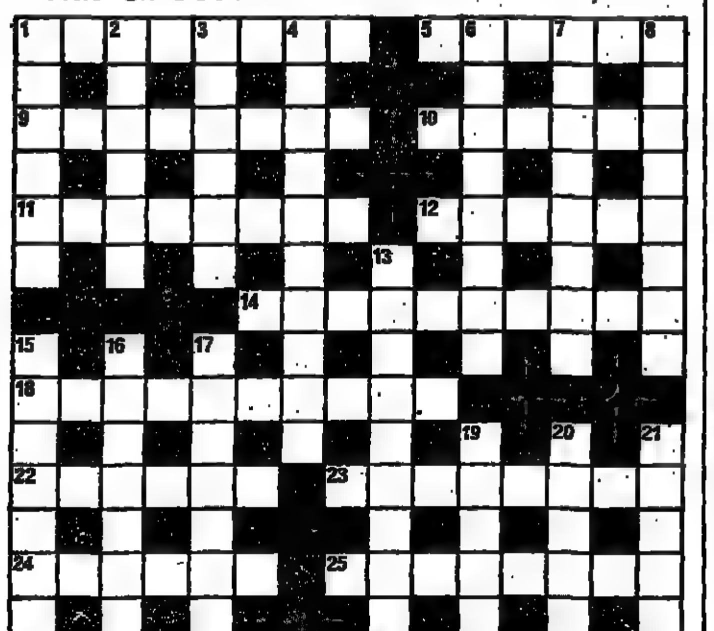
London Broadcasting

5.00 am Morning Music. 6.00 The AM Show. 10.00 Brian Hayes. 1.00-8.00 pm LBC Reports with George Gale at 3.00 pm. 8.00 After Eight. 9.00 Nightline. 1.00 am Night Extra.

Capital Radio

6.00 am Graham Dene's Breakfast Show (S). 9.00 Michael A[illegible] 12.00 Dave Cash (S). 3.00 pm Roger Scott (S). 7.00 London Today 7.30 Adrian Love's Open Line. 9.00 Nicky Horne's Mummy's Weekly (S). 11.00 Mike Allen's Late Show (S). 2.00 am Ian Davidson's London Link International (S).

F.T. CROSSWORD PUZZLE No. 3,951



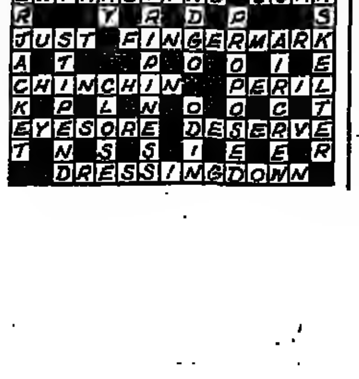
ACROSS

1 The French politician following chief—it should be illuminating (8)
5 She admits spiteful woman to scorch with invective (6)
9 Students' carnivals with sound of rock (8)
10 Severe test for dealer to some extent (6)
11 Arrive with nobleman and publican (8)
12 Speak affectedly before putting right a kitchen machine (6)
14 Salver and drinking vessel seen in shop windows (5-5)
18 Playful form I close at random (10)
22 Viewer permitted to make a hole (6)
23 Fish with aquatic carnivore and killer (8)
24 Wilfully disregard wild region (6)
25 A wager men take initially requires assistance (8)
26 Fish to catch and stone (6)
27 Had the odour of eastern railway and foundry (8)

DOWN

1 Messenger held soldiers inside (6)
2 Information in drawing yielding silver (6)
3 Large partner, when by himself could be Eric (6)
4 Collier on a rota is a student of rocks (10)
6 Form of transport and its cost (8)
7 Divine ruler providing article on hybrid Croat (8)
8 Slippery person to give information about plant in the main (8)
13 Collector's book to impress record holder (5, 5)
15 Sacrifice from eastern circle (8)
16 Speed-regulating machinery boss (8)
17 Fruit supplier using caustic compound on plant (4-4)
19 Left a learner in the doorway (6)
20 Goddess consumed fowl inside (6)
21 Fairly beautiful? (6)

Solution to Puzzle No. 3,950



ENTERTAINMENT GUIDE

OPERA & BALLET

COLISEUM. Credit Cards. 01-240 5258. Reservations 01-836 3161. Tonight & Thur next at 7.00: The Marriage of Figaro. Tomor & Tues next at 7.00: [illegible]

COVENT GARDEN. [illegible] THE ROYAL BALLET. [illegible] THE ROYAL OPERA. [illegible]

SADLER'S WELLS THEATRE. [illegible] ROYAL BALLET.

THEATRES

ADELPHI THEATRE. [illegible]

ALBERY. [illegible]

ALDWYCH. [illegible] ROYAL SHAKESPEARE COMPANY [illegible]

AMBASSADORS. [illegible]

APOLLO THEATRE. [illegible]

ARTS THEATRE. [illegible]

ASTORIA THEATRE. [illegible]

CAMBRIDGE. [illegible]

COMEDY THEATRE. [illegible]

CRITERION. [illegible]

DRURY LANE. [illegible]

DUCHESS. [illegible]

DUKE OF YORK'S. [illegible]

FORTUNE. [illegible]

GARRICK. [illegible]

GLOBE. [illegible]

GREENWICH THEATRE. [illegible]

THEATRES

HAYMARKET. 01-930 9832. Evgs. 8.00. Wed. 2.30. Sat. 4.30, 8.00. KEITH MICHELL SUSAN HAMPSHIRE [illegible]

HER MAJESTY'S. [illegible]

LYRIC THEATRE. [illegible]

MAYFAIR. [illegible]

NATIONAL THEATRE. [illegible]

OLD VIC. [illegible]

OPEN SPACE. [illegible]

PALACE. [illegible]

PALLADIUM. [illegible]

PHOENIX. [illegible]

PICCADILLY. [illegible]

PRINCE EDWARD. [illegible] EVITA [illegible]

PRINCE OF WALES. [illegible]

QUEEN'S. [illegible]

RAYMOND REVUEBAR. [illegible]

ROYAL COURT. [illegible]

ROYALTY. [illegible]

SAVOY THEATRE. [illegible]

SHAFTESBURY. [illegible]

STRAND. [illegible]

ST. MARTIN'S. [illegible] THE MOUSETRAP [illegible]

TALK OF THE TOWN. [illegible]

VAUDEVILLE. [illegible]

THEATRES

VICTORIA PALACE. CC. 01-828 4735-6. 01-834 1317. [illegible]

WAREHOUSE. [illegible]

WESTMINSTER. [illegible]

WHITEHALL. [illegible]

WINDMILL. [illegible]

WYNDHAM'S. [illegible]

YOUNG VIC. [illegible]

CINEMAS

ABC 1 & 2, SHAFTESBURY AVE. [illegible]

CAMDEN PLAZA. [illegible]

CLASSIC 1, 2, 3, 4. [illegible]

CURZON. [illegible]

LEICESTER SQUARE THEATRE. [illegible]

ODEON HAYMARKET. [illegible]

ODEON LEICESTER SQUARE. [illegible]

PRINCE CHARLES. [illegible]

STUDIO 1, 2, 3, 4. [illegible]

ART GALLERIES

AGNEW GALLERY. [illegible]

[illegible]

Cinema

Crumpling machismo

by NIGEL ANDREWS

The End (AA)
Cinecenta, Odeon Swiss Cottage
Don's Party (X)
Odeon Kensington
Death Trap (X). Filmcenta
Chuck Jones
National Film Theatre

The End is a feature-length Hollywood shaggy dog story: starring a shaggier-than-usual Burt Reynolds (who also directed) and dogged by a script that shambles gamely after, but never quite keeps up with, the inventive antics of its stars.

Reynolds plays a bearded, fortyish Californian who learns that he has a fatal blood disease. He first cracks under the stress of the news, sobbing in the hospital lift as fellow descendants cast astonished glances at him, and then manfully gathers his stoicism about him and decides to forestall the ravages of illness by committing suicide first. But a painless, fail-safe method keeps eluding him . . .

At first it looks as if Burt Reynolds has wandered into a comedy script written for Woody Allen; full of myopic misadventures and farcical-forlorn musings on the mystery of Death. But Reynolds clearly seized on the story as a chance to play against type: to show that symbol of centrefold *machismo* that he has become crumpling into emotion, then into a chronicle of logistical ineptitude as he stumbles from pills to guns to ropes to water in vain search of self-slaughter.

Scriptwriter Jerry Belson hurls Reynolds with enthusiasm but no great finesse into as many comic millieux as he can think up: a Catholic confessional presided over by a scatter-brained young priest (Robby Benson), a visit to the plastic gentility of his parents' home (Myrna Loy and Pat O'Brien) to purloin some sleeping pills, finally a psychiatric hospital where the life-and-soul-of-the-clinic is schizophrenic Dom De Luise.

The performers do their best to work a miracle—notably Luise, who is a high-camp Jekyll and Hyde—but the script stubbornly remains water not wine. Occasionally a tangy one-liner rises to the taste-buds—spreading his rainbow-hued pills across the table prior to an overdose attempt, Reynolds mutters "Look at all the colours. Looks like Walt Disney threw up!"—but for the most part, sound speed and slapstick fury reign, none of which is any substitute for wit.

*

Wit comes and goes in *Don's Party*, intertwined with a vigorous and rabidly funny account of Australian social mores in a Labour-voting fringe of Sydney suburbia. As in many Australian films, the screen is awash with beer from the beginning and the soundtrack is a-hum with Antipodean slang and un-deleted expletives. But the all-saving difference in this film, directed by Bruce Beresford and written by David Williamson (from his own stage play), is that the satirical edge is knife-sharp, the comic calculations exact.

A motley group of invitees gather at the home of Don and his wife, bringing beer, dirty stories and intransigent Labour views (bar two of them) to celebrate national election night. The two diffident non-Laborites, Liberal-voters in Don't-Know clothing, raise the hackles of the party, and 'ere long it is Total War not only between the opposing political factions but between each and every individual present. From swapping dirty stories the men have graduated to swapping wives and girl friends: from comparing conjugal tales of misery, the women have moved to comparing the sizes of their husbands' members. And the national battle for Who-Will-Rule-The-Country gradually recedes before an all-conquering scrimmage of spite, sarcasm, bawdiness and open hostility.

Fine performances—notably from Ray Barrett as chief slob among the visitors, his body sagging into menopausal fat, his face into a permanent middle-aged leer—lend this comedy of private manners and political pretensions a scouring vitality. Being stronger on dialogue than on visual action, *Don's Party* may have worked better on stage than it does on screen. But when the screen results are as vivid as this, who is purist enough to complain?

*

Those among you whose stomachs were egg-whisked by Tobe Hooper's *The Texas Chain Saw Massacre* may like to know—or not, according to taste—that Mr. Hooper's second film is now to be seen in London. It is called *Death Trap* and it concerns the exploits of a grizzled Southern hotel-keeper (Neville Brand) whose hobby it is to urge unwary guests into his private, fog-wrapped lake where they are consumed by a giant crocodile.

It is doom to prophesy. Sometimes a film critic, who wears several hats, wishes he could trade in his would-be clairvoyant one. Or perhaps he should eat it. Hooper's first film, for all its gore and violence, seemed—to me and several other critics—the product of an original and virulent imagination. *Death Trap* seems the product of two or three weeks' catchpenny dementia in a film studio.

Borrowing vaguely from the *Psycho* plot formula—a girl is murdered and her disappearance lures other, lucklessly enquiring victims to the scene of the crime—the film seesaws between the revolting and the ridiculous with hardly a moment of suspenseful equipoise, let alone of shrewdly calculated terror.

Neville Brand plays the hotelier with hirsute looniness, and among those nastily to be done in (they are usually skewered by Mr. Bran's scythe before being served up to the ever-hungry crocodile) is Mel Ferrer, whose air of anorexic anxiety exactly matched mine as I observed my hot tip for future directorial glory slowly crumbling into ashes.

*

Never mind, there is always Chuck Jones at the National Film Theatre. Mr. Jones is not a household name, but the cartoon characters he has created and/or designed are. They include, in alphabetical order, Messrs Bugs Bunny, Daffy Duck, Porky the Pig, Sylvester and the Road Runner.

Jones, who began his animating career in the 1930s, has worked for every major cartoon tycoon from Walter Lantz (of Loony Tunes fame) to Walt Disney. The NFT tribute is only a three-day affair (starting tomorrow), and should be a season.

Dom de Luise and Burt Reynolds in 'The End'

Apollo

Happy Birthday

by B. A. YOUNG

Marc Camoletti tries our belief sorely in his new comedy. We must accept that *Bernard* (Christopher Timothy, everybody's favourite vet) asks his friend Robert (Ian Lavender, once the youngest member of Dad's Army) to stay with him and his wife for the weekend, without telling him that he has also asked Brigit (Malou Cartwright), who is to pose as Robert's mistress because she is really Bernard's. As it happens, Bernard's wife, Jacqueline (Elizabeth Counsell), is Robert's mistress.

Then we must accept that the temporary maid, engaged for *the weekend, is also called* Brigit, and that Robert really believes her for a time to be Bernard's mistress; and that when the right Brigit arrives she is supposed to be the temporary maid, and even accepts the situation. Of course what these five characters themselves believe is another matter. Indiscreet revelations of information that should not be known are among the running, or limping, gags that help fill the evening.

For the most part, however, we must be satisfied with a series of illicit embraces interrupted by someone entitled, more or less, to the loyalty of one or other of the participants, and with a constant swapping of tenants between the three single bedrooms and one double. The effect is like a game of draughts in which no piece ever gets taken.

Beverley Cross, who hit the jackpot with Camoletti's *Boeing Boeing*, has anglicised *Happy Birthday* (apart from the spelling of the two Brigits) and made of it the kind of old-fashioned comedy in which you might expect to meet Leslie Phillips, but Camoletti has not given him good enough material. *Boeing Boeing* took a newly-familiar situation in romantic life and teased it out into a novel comedy. There is nothing new in *Happy Birthday*, and Mr. Cross has loyally not put anything new into it. (Indeed, one of his jokes comes from Oscar Wilde.)

Only playing of superb skill could have kept me interested for the full two-and-a-quarter hours. *Most of the acting here* simply runs the gamut of English light-comedy cliché, but there is one delightful performance, that of Julia Foster as the temporary maid. A ginger-wigged Cockney, she alone achieves a personality; she is as funny sitting at the dining-table turning the yellow napkins into the semblance of half-peeled bananas as she is blandly accepting the ludicrous things she is made to do.

Roger Redfarn directs, and the extraordinary architecture of Bernard's country house is the work of designer Peter Rice.

Wigmore Hall

Sylvia Sass

by RONALD CRICHTON

The Hungarian soprano's recital on Wednesday was given in place of one announced for her compatriot, Julia Hamari. It was, I believe, the second appearance of Miss Sass in this hall in a relatively *short time*, and the impression made was much like descriptions *of the other occasion. As* opera-goers know, Miss Sass as *well as* uncommon good looks has a voice of generous proportions, flexible, full of colour, for the most part well in tune. But the use she makes of those advantages is, to put it mildly, uncertain. She seems to have formed no fixed idea of style, whether of an epoch of music, of a composer as a whole, or of an individual song.

*Take the question of tone-*colour. Here the range is wide, but used apparently at random, almost whimsically. More than once Miss Sass passed in the space of the single phrase from winsome girl to grand operatic matron—Barbarina to Norma, as it were. Other long phrases which started seductively were swelled out to *dimensions* unnecessary and even unpleasant in this sympathetic hall. Sometimes she fell into affected *staccato and at others she made* use of the hollow, curled sound that Maria Callas has probably made a permanent *feature* of dramatic singing. But what the Callas epigones too often forget is that their model always started from exceptional comprehension of the text and projection of the words. Miss Sass sang in German: at its best her accent was uncouth, at *its worst* incomprehensible. There were *plenty of soft* high notes cleanly taken and ravishingly held, but applied like bows or ribbons on a dress, not felt from inside the music.

Everything was sung from the notes. Behind the music desk the singer performed expressive gestures of varying suitability. What did she sing? It hardly mattered, for the same *chameleon-like methods* were used indiscriminately. The main things in the programme were Wagner's *Wesendonk-Lieder* and the *Four Last Songs* of Strauss. The beginning and the end of late-romanticism perhaps, but not good programme building—too alike in their luxuriant near-monotony (the Strauss however did suggest that Miss Sass might be an interesting Salome). Between *came some trusted Brahms* and more Strauss. As partner Miss Sass had Craig Sheppard, who has a remarkable gift (not his only one) for making orchestrally conceived music sound well on the keyboard.

Purcell Room

SPNM

by DAVID MURRAY

The Society for the Promotion of new Music presented mostly all-but-new music last night; second and third performances are often harder to contrive than premières, and earn proportionate gratitude. Apart from Britten's Third Canticle, the exception was Avril Anderson's "Black Eyes in an Orange Sky," which enjoyed an unusually assured first performance by the artists for whom it was written. Suggested by a painting, it is an impassioned vocalise without words, based transparently on simple motifs. It displayed Lorraine Anderson's full, fresh soprano very well, whether directed into the hall or echoed back from the depths of the *piano* (which was otherwise in the charge of Claire van Kampen).

Though Michael Blake Watkins is just past 30, his florid Swinburne cantata *Before the Beginning of Years* must count as an early work—it is already seven years old. It sets a tenor (Ian Caley, who also delivered the Britten Canticle with conviction) and a soprano (Lynda Richardson) to competing for each successive phrase of a chorus from *Atalanta in Calydon*. The dogged trudge of the original metre is not reproduced; rather, the singers' carolling suggests the angel's-eye view adopted by the poet for assessing the human condition. There are effusions of languid decoration from the piano (firmly sketched by Harold Lester), in something like the manner (though not the syntax) of the Schönberg of *Book of the Hanging Gardens*. It is a skilful, rather extended exercise which hardly points beyond itself.

The excellent Arditti String Quartet addressed itself vigorously to two Second Quartets, Giles Swayne's and Jonathan Harvey's. The body of the Swayne piece consists of some five linked movements—in principle successively slower, but that did not make itself much felt—flanked by introductory and closing cello solos. The material sounds *pithy* and it is carefully, not over-elaborately worked: the *even-tempered argument proceeds* without throwing up any very striking events. Jonathan Harvey's equally recent quartet is altogether more fantastical and excited. There are showers, rills and starbursts of harmonics (Ravel's tricks of string-writing often came to mind) in the air for much of its length, while an angular, loping tune is subjected to intense examination and correction—it surfaces intermittently under evident stress. The conventions of quartet writing are set aside in the interest of a personal vision set out in pyrotechnics.

Festival Hall

Schumann's Faust

Benjamin Britten's superb recording of the Schumann *Scenen aus Goethes Faust*, issued in 1973, should have reclaimed the work for the repertory, if any recording could. But things haven't quite worked out that way—the music continues to hover in the semi-obscurity that cloaks so much of the composer's later compositions, particularly those for voice and orchestra on a large scale; the performance on Wednesday night, given by BBC forces under Michael Gielen, was a rare and welcome opportunity to encounter Schumann's *Faust* live. Though it was a pleasure to hear so much beautiful music, grateful, noble, and *grandly undertaken*, it cannot be said that all of the numerous *difficulties* posed by Schumann were fully mastered.

Schumann approached *Faust* in reverse chronological order. He began with Goethe's final scene, and completed his setting of it by 1848. Then came the opera *Genoveva*; parts 1 and 2 of *Faust* followed in the early part of the next decade. To play all the *Faust* music in one evening, Schumann said, "could be done only as a curiosity;" if this is done, as now it almost always is, we can hardly blame Schumann when the larger whole seems unwieldy. But the problem of the larger whole is one, rather, of an internal change of *style*. *As* Joan Chissell's programme note put it, "*(Schumann's)* style . . . had become far less Mendelssohnian, *far more experimental* (in parts 1 and 2), leaving no doubt of his awareness of what Wagner was trying to do in the opera house."

Parts 1 and 2 are remarkably adventurous and fascinating, in the fluidity of their forms and the subtlety of their transition between recitative, arioso and aria; but from conductor and leading soloists they require a sensitivity of handling, a lightness of *touch*, weight, and accent, that does not exclude deep inwardness of feeling. These qualities were not always *available* on Wednesday, and, as a result, the first two parts made a less strong and certain impression than the blither and simpler, if also less varied, musical charms of the third. Mr. Gielen did not show himself an *especially* acute Schumann conductor, in point *of orchestral handling.* The playing of the BBC Symphony Orchestra, though sure of the actual notes, tended to be *mf*-ish, lumpy (yes, the orchestration is heavy, but other conductors have found ways of clarifying it), rhymically rigid; the sense of scenes subtly dis*solving* and *reforming* was not conveyed. There was a nasty cut in the *overture*.

As Faust and Mephistopheles, we heard the New Zealand baritone Barry Mora and our own John Tomlinson—two energetic singers with big, brave voices who boomed away rather crudely. The beautifully delicate touch of Felicity Lott's Gretchen and Anthony Rolfe Johnson's Ariel, and the dark power of Elizabeth Connell's Care were mitigating points that worked in Schumann's favour. In Part 3 Mr. Gielen's vigour in keeping the music going was turned to its advantage; the choral singing (BBC Singers and Chorus, Southend *Boys' Choir*) was excellently firm and clean. The first epithet in Gerald Abraham's description of Schumann's Goethe music in Part 3—"square-cut, but noble and thoughtful"—seemed less appropriate than the other two. A word for Stephen Roberts, the Pater Seraphicus and Dr. Marianus of Part 3: a baritone smooth, eloquent, and impeccable in style.

MAX LOPPERT

Edward Fox and Joanna David

Round House

The Family Reunion

by MICHAEL COVENEY

When Michael Elliott directed *The Cocktail Party* in Manchester some years ago, I remember taking pot shots at the play while trying to cope with the undeniable beauty of the production. There are no *such problems with this masterful* version of Eliot's earlier play. I have not yet seen John Barton's production of *Love's Labour's Lost*, but I imagine it must be the only show in London to compare with this sumptuous, intelligent and remarkable revival. Edward Fox leads the Manchester Royal Exchange Company as the lordly Harry who returns, *after* eight years' absence, to a *country* house in the north of England pursued, like some art deco *Orestes*, by the *Eumenides* in search of the truth of his familial history.

The astounding achievement of Mr. Elliott is to bind the contrasting elements of crime fiction excitement, upper-class small talk of superficial incidents, and the exalted poetic inner life shared by Harry and *the two women on his wave*length, Aunt Agatha and the *spinsterish* Mary, a *distant* cousin at one time intended for his *wife*. Harry's wife has died. He admits, in the play's first revelatory shock, that he pushed her overboard. But the confession is drained of dramatic significance as the deeper meanings of his conduct are investigated. Perhaps, after all, he pushed her in a dream. Perhaps *his whole life has been lived in* a dream. Such is the upshot of *the second great poetic en*counter in the play, between Harry and Agatha.

The language of the play is more coherent and less emphatic than in *The Cocktail Party*. Nothing like Celia being devoured on an ant-hill, and nothing explicit about redemption or martyrdom. Harry simply learns to change course, *to follow his fate rather than* to be pursued by it. I doubt if *the original production of* 1939 or Peter Brook's in the 1950s (neither of which I saw) could have made this clearer than does Mr. Elliott in his stunning representation of the Furies. They crowd on to the open stage as huge white phantoms, looking rather like the Ku Klux Klan on stilts, to the accompaniment of harsh light and a grumbling organ *obbligato*. When Harry declares he will follow, they are suddenly bathed in a flash of golden light. The ghosts are now indeed "the bright angels."

The *lighting* and *physical* side of the production are, in *fact, achingly beautiful*. The female half of the chorus, the two chattering aunts, are dressed in subtly contrasting greens (costumes by Clare Jeffery) that harden into metallic silver under white light. Daphne Oxenford and Constance Chapman manage these transitions with real skill, equally convincing as both bemused commentators and blanket-clutching inmates of a damp stronghold. The atmosphere of this potent building, *with its paw under the door*, its sobbing chimney, its noises in *the cellar*, is *continually* reinforced to strong effect. And, at the helm, the crumbling matriarch, Amy, played with ferocious *hauteur* by Pauline Jameson, sees her favourite son slipping away just as her husband did in the blinding heat with Aunt Agatha.

Edward Fox is mesmerising as Harry. As in his recent royal portrayal on television, he is under pressure to conform to *an ideal* expected of him by society—he is to take over the house—and he fights back, beetle-browed and springily *elegant*, with a *crusading* zeal he does not quite understand. Mr. Fox deals with the verse with an almost insouciant control, working honestly for his climactic outbursts and never missing a trick. It is a wonderful performance. And what joy to see such players as Esmond Knight as the friendly doctor, Jeffrey Wickham and William *Fox as the ponderous uncles*, and, especially, Avril Elgar as *the strangely self-contained* Agatha, a Chekhovian also-ran, *finding* their stride with aplomb and the sort of incomparable discretion that distinguishes the entire proceedings. Joanna David, too, is spot on as Harry's sadly loyal lover.

Dame Helen Gardner was never more right than when she pronounced this play more effective when seen than when read. I urge you to see it in as splendid a production as could be desired. As Amy's birthday cake is brought on to the sound of Elgar at his most ethereal, *for the final runic incantations* of the sacrificial women, the *production* plays its *final*, irresistible hand. Sheer magic.

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Democracy in industry

ONE OF THE distinctive features of the Labour Party's approach to industry, compared to that of the Tories, is its emphasis on industrial democracy. Although the Labour manifesto does not specifically refer to worker directors it proposes a number of institutional changes designed to give employees a larger say in the decisions which affect them. "Recognised trade unions" will be encouraged to set up joint representation committees in all companies employing more than 500 people. There will be a legal obligation on employers to discuss company plans with these committees. An Industrial Democracy Commission will be established to "stimulate and monitor" industrial democracy schemes in the private sector and nationalised industries.

Disagreement

The fact that worker directors are not mentioned may simply reflect the Prime Minister's reluctance to open up an issue on which his own supporters, the trade unions, cannot agree. But the clear intention to promote industrial democracy through legislation is in sharp contrast to the Conservative manifesto, which merely welcomes the closer involvement of workers, whether trade unionists or not, in the decisions that affect them at their place of work. The Tories think it would be wrong to impose by law a system of participation on every company.

The Liberals, as one would expect, are more radical than either of the two major parties. They see a "revolution in attitudes" amongst all at work through the introduction of democracy in industry as "the key to reversing Britain's industrial decline." The Liberals would give employees a new legal status as members of their company (including a direct vote in electing the Board of directors) as well as rights to participate in decisions through elected works councils and to share in the profits.

Indifference

Given these conflicting prescriptions businessmen may be inclined to treat the whole issue with indifference. After all, the Bullock Committee's proposals were effectively blocked by the strenuous opposition of the business community—although the lack of unanimity among the trade unions was an important factor—and industrial democracy does not appear to be a major preoccupation among workers themselves.

Yet whatever the result of the election the issue will not go away. What one must hope is that the debate will take a more balanced and constructive form than has been the case in the past two or three years. It is perfectly true that if companies are to prosper managements must find a way of eliciting their employees' co-operation and support; it is also true that the autocratic style of management which still exists in parts of industry is increasingly unacceptable to the workforce. But there has been a tendency to jump from these two propositions to the view that particular forms of participation, whether it is the election of worker directors, the creation of works councils, or something else, will solve the problem.

In some quarters there was a naive belief that certain instruments could be borrowed from Continental countries, particularly Germany, and made to work in an entirely different industrial context. The Ryder Report on British Leyland contained an example of the over-optimistic view that deep-seated industrial relations problems would be made much easier to solve by the introduction of new apparatus of industrial democracy.

Rapid change

The danger is that the new apparatus, especially if the managers are inadequately prepared for it, will make the task of running the company even more complicated and create another source of dissatisfaction among employees. Worker participation should not be regarded as a magic cure, or even as a goal to be valued for its own sake, but as part of a broader effort to get management-labour relationships on a sound footing.

This will certainly include a greater willingness on the part of managers to take employees into their confidence and to discuss issues with them before decisions are taken—all the more necessary at a time of rapid technological change, when workers are being asked to accept drastic changes in their jobs and working conditions. But the route to participation will vary from company to company; in most cases it will follow, not precede, the establishment of more orderly collective bargaining arrangements. The process must be an organic one; the revolution in attitudes which the Liberals are asking for will not come about through legal compulsion.

Instability in Lebanon

THE DECLARATION of the "State of free Lebanon" on Wednesday the day before the mandate of the UN forces was to be renewed is more a gesture of defiance than an action which makes the situation in Lebanon immediately more dangerous. The area in th south controlled by the Christian forces under Major Sa'ad Haddad is narrow. It forms a *cordon sanitaire* in Lebanon along Israel's northern border. It contains perhaps 100 000 people, and Major Haddad's troops number only several hundred.

UN force

Since last June, when Israel handed over this border area to Major Haddad after three months of occupation, "free Lebanon" has been effectively more part of Israel than Lebanon. The UN Interim Force in Lebanon (UNIFIL) has not been allowed to take up positions in this area.

But for some years it has been the case that whenever the Middle East has been under stress—and on this occasion this stress comes from the conclusion of a peace treaty between Egypt and Israel and the Arab reaction to it—indications of these strains have emerged in Lebanon. In part the two year civil war was a symptom of this after the second Sinai agreement was concluded in 1975. Lebanon remains vulnerable because of political tensions between Christians and Moslems, the large Palestinian presence and because of the competing interests of its neighbours—Syria to the east and Israel to the south.

Dangerous

For Lebanon itself Major Haddad's moves are potentially dangerous in that they establish the precedent of Christian partition which might be imitated by his co-religionists in the north and centre of the country. They indicate, too, the weakness of the government of President Sarkis. Lebanon's army disintegrated during the civil war. In sending a token force of 500 of the newly reconstituted army to work alongside UNIFIL (a move which Israel originally opposed until the U.S. brought pressure to bear), Mr. Sarkis was doing no more than complying with the demands of the Security Council for an assertion of governmental authority when the mandate was renewed four months ago.

One of the more serious aspects of the declaration of "free Lebanon" is that it shows no real progress has been made towards the different political and religious parties in the country coming together to make Lebanon a sovereign entity again. This affects Syria's position deeply. Its troops, sent in originally in June, 1976, are now the sole members of the Arab Deterrent Force set up to keep the peace. As a result its 26,000 soldiers appear engaged more in occupation rather than peace-keeping. To withdraw with Lebanon's problems unsolved would amount to a startling loss of political face.

Concerned

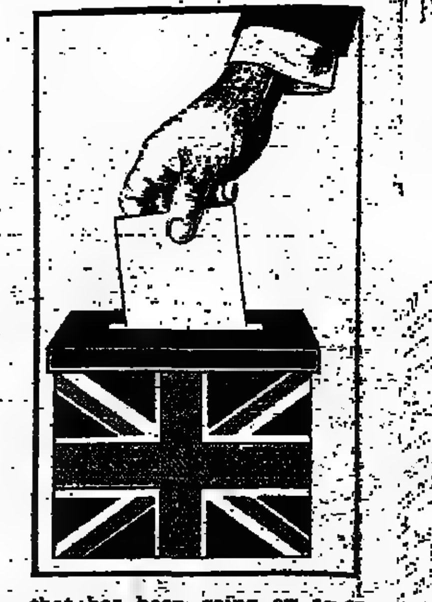
But if Syria were to withdraw its troops, as it professes it wants to, the risks would be increased of a civil war restarting and Lebanon becoming everything Syria fears most—partitioned, partly under Israeli control, and fundamentally unstable. And yet to stay carries the risk of a clash with Israel

Although Israel has tried to put some distance between itself and Major Haddad's "free Lebanon," it remains the party to gain most from its announcement. Israel's concern has been that UNIFIL was incapable, in difficult terrain, of preventing Palestinian guerrillas coming closer to its northern borders. It is now doubly concerned that the presence of the Lebanese army will make this easier. It is thus convenient that Major Haddad, whose forces are almost entirely and extensively equipped by Israel, is in many ways able to do the job without the need for direct Israeli intervention — an act which would not only earn American criticism but conceivably endanger its new treaty with Egypt.

POLITICS TODAY

Britain's foreign policy: the headaches to come

BY MALCOLM RUTHERFORD, Political Editor



Roger Taylor

Dr. David Owen, the Foreign Secretary, addressing a meeting in Fulham this week.

FOREIGN AFFAIRS seem conveniently to have gone to sleep for the period of the British election — or maybe that is merely an impression conveyed by the politicians. Yet whoever wins on May 3, they are likely to come back immediately to the top of the agenda. Along with the Budget they will be one of the main preoccupations of the new Government.

There is no special prescience in saying that. It is written in the calendar. Thelection will be followed almost at once by the campaigning for direct elections to the European Parliament. There will be a Common Market summit meeting in late June and a summit of the major Western economic powers in Tokyo only a day or two later.

There may well have been a second strategic arms limitations agreement between the United States and the Soviet Union, raising immediate question for some of those West European countries whose interests will be more directly involved than ever in the preparations for SALT 3. Preparations will also be under way for the Commonwealth Prime Ministers' Conference due to take place in Lusaka in August.

Not least, and by no means unrelated, events in Rhodesia and in Southern Africa in general could be coming to a head. Indeed it is quite possible that a Southern African crisis could hit the new government the very day that it takes office.

The next step step

The reasons for this are twofold. First, the British election will coincide almost exactly with the initial assessments of the elections now taking place in Rhodesia under the internal settlement. It will be up to any British Government to say how far those elections were fair and how far they expressed the wishes of the majority of the Rhodesian people. Any British Government will also have to take the next step in the search for a settlement that is acceptable not only to Rhodesia as a whole, but acceptable internationally.

Second, it is now believed by those most closely involved that the Western initiative on Namibia (formerly South West Africa) is about to break down. The breakdown could come next week, or it could be postponed a little longer. But it is hard to find anyone who thinks that the dialogue which the Western powers have been conducting with South Africa now stands any chance of success.

The five western powers taking part are the U.S., Canada, France, West Germany and the UK. What they have been trying to do is to secure United Nations-supervised elections in Namibia in such a way that a genuinely independent state could come into being that would not be a direct threat to South Africa itself. The aim is to persuade South Africa of the virtues and possibilities of peaceful change.

For as long as this diplomacy has been going on, there has been an informal truce at the United Nations. The so-called Africa Group at the UN has refrained from calling for sanctions against South Africa. But it has always been understood that if the diplomacy were to break down, or the outcome were to be judged unsatisfactory, the demand for sanctions would be resumed with a vengeance.

What is more, a number of the Western powers involved now accept that some sort of international action against South Africa would have to be taken. This might well fall short of comprehensive economic sanctions. The U.S., for instance, is talking about the possibility of suspending all international air traffic to and from South Africa, something which never happened to Rhodesia because Rhodesia was always linked to the air routes via its neighbour to the south. Another possibility is the suspension of all new investment from abroad.

The point is, however, that in this context there are only three western powers that matter. They are Britain, France and the U.S., because each of them is a permanent member of the UN Security Council and therefore has the right of veto. The U.S. is most unlikely to use that right, though it would almost certainly seek to compromise rather than accept an extreme African-sponsored resolution. In diplomatic circles the view is that France would be unlikely to use the veto either, if only because it has its own developing interests in English-speaking black Africa.

The question thus comes back to Britain. Would a British Government of any complexion go it alone and veto sanctions, however selective, against South Africa? Alternatively, would it acquiesce in one round of sanctions in the full knowledge that this might lead to demands for more and without any guarantee that it would finally solve the problem, which is that of finding a peaceful transition to majority rule within the Republic? These questions have been tormenting successive British Governments for years. They could have to be faced by the new government within weeks of coming to office.

Different policies

It is here that one returns directly to British politics. As it happens, Southern Africa is the one area of foreign policy where the views of the Tory and Labour Parties are now radically different. Mr. Francis Pym, the Shadow Foreign Secretary, made a speech last week in which he suggested that while the Conservative Party remained totally opposed to *apartheid*, the time had come for a certain rapprochement with South Africa in the interests of resisting the spread of Communism on the African continent.

This view is not repeated in its entirety in the Conservative Manifesto, which concentrates more on Rhodesia. Even on that subject, however, although the statement can be read with different emphases, there is a strong hint that a Conservative Government would be much readier to recognise the validity of the current Rhodesian elections as a fair test of Rhodesian opinion than a Government formed by the Labour Party. If the elections were judged to be fair, the Manifesto says: "The next Government will have the duty to return Rhodesia to a state of legality, move to lift sanctions, and do its utmost to ensure that the new independent state gains international recognition."

Mr. Pym's remarks may have been little noticed in Britain outside the Foreign Office, the Embassies and the High Commissions. But they have certainly spread around the world.

In the first instance, it was generally assumed by informed foreign opinion that if a Conservative Government were elected, the immediate foreign policy problem would be Rhodesia. The Conservatives, after all, have sent a mission led by Lord Boyd of Merton to observe the Rhodesian elections on the ground. The present Government has not; nor has the Administration in the U.S. Lord Boyd's report should be ready either in the last few days of the British campaign or in the first few days of the new government.

It was feared by what one might call the foreign policy community that if Lord Boyd produced a clear endorsement of the Rhodesian elections, Mrs. Thatcher might accept it at once and promise to set about *the process of ending sanctions* and securing international recognition.

In the last few days these fears have abated somewhat. It is denied that there has been any such thing as a special warning message from President Carter to Mrs. Thatcher or even to Mr. Pym, but there certainly have been contacts at a rather lower American level. Nobody can be quite sure about Mrs. Thatcher herself, but what is hoped now by the Foreign Office, the Americans and others directly involved is that a Conservative Government would play a waiting game on Rhodesia.

In other words, the theory goes, a Tory Administration would take on board the findings of the Boyd report, whatever they are, but say that other factors need to be taken into account. For instance, the electoral process in Rhodesia will not be completed simply by the holding of the elections. It will be necessary to see what sort of government emerges in succession to Mr. Ian Smith. If, as expected, it is led by Bishop Muzorewa, it will be worth watching his attitude to the Patriotic Front and any others who did not participate in the elections. Not least, there will be a need to consult the front-line African states, the Commonwealth and Britain's European and American allies to see what they think.

Permanent presence

According to this theory, the one positive step likely to emerge following the British and Rhodesian elections is a decision to set up a permanent British presence in Salisbury, the Rhodesian capital. The presence might be at a rather higher level under the Tories than under Labour, but at any rate the two parties would again be moving in broadly the same direction. The aim would be to achieve that elusive constitutional conference and final agreement.

For a Tory Government, the problem would come if the settlement were still not reached by November, the month in which the sanctions order needs to be renewed by Parliament. There could then be a major revolt in the Party.

It is possible that some people will resent the kind of behind-the-scenes diplomacy that has been going on as an unwarranted intrusion on British sovereignty. Anyone who does, however, needs to ask the question: how could a British Government end sanctions and secure international recognition for Rhodesia if the bulk of the international community does not want it? Sovereignty in these matters is already severely limited. Indeed, it was British impotence in dealing with the Rhodesian situation that led to the call for help from the international community in the first place.

Yet if the problem of Rhodesia has subsided slightly, that of Namibia has grown larger. Here, no one seems quite sure what a British Government would do if the demand for sanctions against South Africa reached the Security Council. A Labour Government would probably be more likely than a Tory one to go along with international opinion, but we have the testimony of Labour Governments in the past about how difficult such a decision would be.

For an incoming Tory Administration, the question of sanctions could be the most difficult it ever had to face, even if it went on to survive a full five-year term. It would have to choose between sticking to its principles, at least as understood by much of the Conservative Party, and accepting international realities. The only alternative would be to try to change those realities by going, as Mr. Pym suggested in one of his speeches, to the Americans, the Africans and the European Community and saying that present western policy towards Southern Africa is wrong and ought to be changed. One wonders whether any British Government is capable of doing that successfully.

The differences on the European Community have become more nuanced, despite the speech by Mr. Edward Heath this week. In reality, it is a question of whether any British Government is prepared to take the time and the trouble to cultivate the European countries, bilaterally and multilaterally, to the point where they become more amenable to British wishes.

In a way, that has been the problem of British foreign policy over the years. It is switched on by governments (as distinct from diplomats) only when it is judged to be necessary. They should not be surprised to find that the world has changed. The best course for any new Foreign Secretary would be to try to do nothing until he has consulted our major allies, and preferably adversaries as well. At the same time, he should seek to secure his flanks by ensuring that whatever he presses in Cabinet is likely to be adhered to. It is the foreign policy overlord which has been missing for so long.

MEN AND MATTERS

Slow words on a winner

The time for the annual announcement of Queen's Awards to Industry is upon us—bringing ot mind the sad case of Kina, a Suffolk engineering company which was given two such awards then went down with debts totalling around £500,000. The receiver said that Kina was "almost certainly insolvent" when it received the award in April, 1975.

So in January, 1976, inspectors were appointed under section 165 (b) of the Companies Act to investigate Kina. I learn that they have still not reported to the Department of Trade—three years and four months later.

An official of the D of T confirmed this yesterday, she also said that the same two inspectors are still burrowing away at Kina's affairs: William Denney, QC, and Kenneth Webb of chartered accountants Thornton Baker. But curiously, when another colleague telephone the department to ask about Kina, his call was returned with the blank statement: "We have no comment to make."

Normally, inspectors are willing to give some guidance on the progress of their work under the Companies Act. But when Thornton Baker were asked about Kina, they said they had orders to refer all inquiries to the Department of Trade.

Doubtless, the report will make all this mystery plain, one of these days. Perhaps there is a lingering importance, even yet: nearly 18 months ago the department admitted that the Kina debacle for a time "undermined the credibility" of the Queen's Awards. One consequence of the collapse was a tightening up of the system, to make sure that companies were financially sound before awards were gazetted.

That girl again

Her maiden speech in the Commons, ten years ago this week, evoked a "rapturous welcome," reported the Financial Times; her "passionate eloquence" would not soon be forgotten, we declared. Well, the rapture for Bernadette Devlin soon evaporated and the eloquence palled.

But Bernadette (now Mrs. McAliskey and a mother of two) is still politically active, on a somewhat different level. In a fortnight's time, as the general election votes are being counted, she will be making a rare visit to London for a National Revolution Rally. This will reach its climax at the City University, of all places.

The organisers, uncompromisingly called Revolution, are expecting an audience aged mainly from 14 to 16. Sharing the platform with La McAliskey will be a group called Rock Against Sexism (Lucy Toothpaste): further elucidation on that one is not forthcoming.

Schoolchildren will be brought to the rally from as far as Glasgow, Newcastle and Cardiff. They will attend workshops on such topics as Sexuality and Music, Ireland and Internationalism, and Building a Union at School. Ten years on, Bernadette's Press coverage will be rather different, I daresay.

At the pictures

Keen as ever to plunge into the ongoing Great Debate, Fane Vernon, ebullient chairman of the Midlands engineering company Ash and Lacy, recently commissioned a film called Who's in Charge?, an ocuvre set in a factory loading bay. I watched it yesterday in the more congenial confines of the Savoy Hotel. Who's in Charge? turns out to have a near-evangelical message summed up on the glossy card I was passed while going in: "Remember: people respond to good leadership and give their best."

The film's protagonist, a young, newly appointed foreman, finds his problems are solved when he is backed up by his superiors and made to feel part of the management chain of command. The finale shows a fleet of lorries, loaded on time, setting off into the dawn to relieve the distant industrial Mafeking, a conclusion rendered the more moving by a glass of champagne.

All at sea

An organisation called Eurotech Management Development Service, based in Aldershot, has put out a highly coloured brochure offering an international summer school in the Seychelles. That may seem rather far to go to be told about such matters as marketing and productivity.

As a further inducement, however, the brochure proclaims that the Seychelles are "central to the developing countries of West Africa, Arabia, India and Sri Lanka." The ardour of prospective clients to hand out £1,500 a time for the course may be slightly cooled at the idea of being taught by people who think that islands in the Indian Ocean are central to West Africa.

Birthday treat

The near-disaster of Harrisburg, Pennsylvania, seems not to have penetrated the consciousness of Lang Hancock, the eccentric Australian iron ore millionaire, who is celebrating his 70th birthday soon with a trip round his country in a Jumbo 747.

On board will be Dr. Edward Teller, father of the hydrogen bomb, who—at Hancock's invitation—was ferried around the country two years ago to explain the dangers of not going nuclear. "I believe that we should enter the nuclear age as promptly as possible, and use it immediately to mine our vast mineral deposits, to create dams to save the water which would otherwise run uselessly to the sea," says Hancock.

Along with Teller will be assorted bankers, financiers and journalists to whom Hancock intends to show "the facts" of Australian life—proliferating bureaucracy, ineffectual government—"and the so-called electoral representatives who haven't got a clue."

The object of this unusual birthday exercise, says Hancock, is "to wake up Australia."

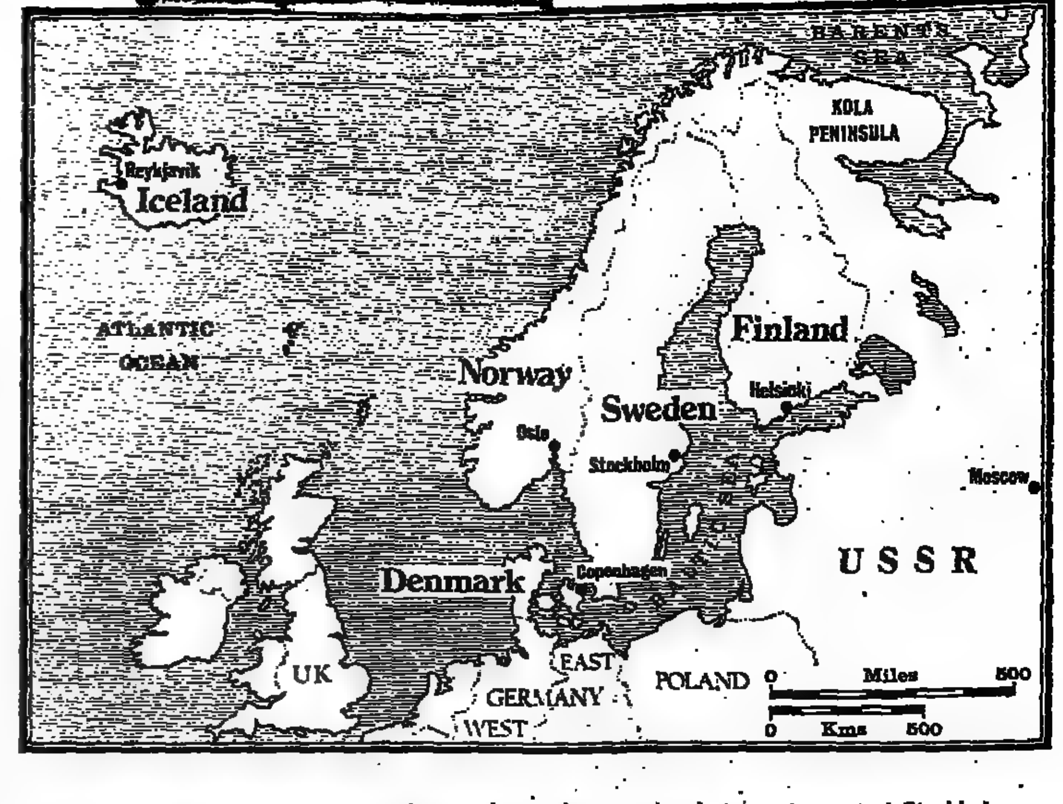
Long time no sea

A postcard received by a reader from his 12-year-old son, staying with friends on the Essex coast, reads: "Dear Dad, This place is as dead as a doornail. The tide went out early this morning and so far it hasn't come back and I don't blame it. Love, Roger."

Observer

Nato's northern flank: By WILLIAM DULLFORCE in Stockholm

The Nordic balance trembles



NATO HAS BEEN working to strengthen its position on its northern flank over the last 12 to 18 months and Denmark and Norway are no longer regarded in Shape headquarters as peripheral to the main potential battleground on the Continent. Compared with the southern flank, where Turkish vulnerability has just been underlined by the Islamic revolution in Iran and its own economic predicament, northern Europe is a less obvious focus for concern. But there are solid strategic grounds for the revival of Nato's interest. At the same time, it has provoked some anxious reappraisals in Nordic capitals.

The northern flank has experienced no political upheavals or abrupt changes of the military balance. There has instead been a steady accretion of Russian and Warsaw Pact striking power over the past decade. Norway has become deeply embroiled with the Soviet Union because of fishing problems and the prospective offshore oil reserves in the Barents Sea where the maritime dividing line is still disputed. At the same time economic pressures are forcing neutral Sweden to curb defence spending and to reduce its capacity to stop an aggressor before he reaches its borders.

The overall result is that the strategic situation in northern Europe has shifted almost imperceptibly into a more dynamic and complicated phase, the political import of which has probably still to be appreciated. The established wisdom in Copenhagen, Oslo, Stockholm and Helsinki, is that the so-called Nordic balance, a strongly armed neutral Sweden, flanked on one side by Finland, linked through treaty to the Soviet Union, and on the other by two NATO members, Norway and Denmark pertains, will continue to ensure stability in the area, and contributes to the good order of Europe as a whole.

But it is now obvious that Nordic balance is not a static phenomenon. Maintaining the regional equilibrium calls for delicate adjustments in the responses to outside developments by the four countries which after all do pursue different security policies. They must respond to the Russian military build-up on the Kola Peninsula and the delayed NATO reaction to it; the strengthening of Warsaw Pact amphibious forces in the Baltic; the effects of the SALT agreements between the U.S. and the Soviet Union, the strategic implications of the offshore oil discovered; and the introduction of maritime economic zones.

Ambiguities

The need to reconcile concern for the Nordic family, particularly Finland, with Nato obligations explains some recent ambiguities in the policies of Norway, where nevertheless public opinion remains firmly pro-Nato. The Norwegians declined to allow West German combat troops to take part in Nato exercises in Norway. President Urho Kekkonen, of Finland, always sensitive to any event which would give the Russians occasion to invoke a clause in their treaty providing for military consultations, last year revamped and relaunched his proposal for a Nordic nuclear-free zone.

Swedish politicians have been pre-occupied with domestic matters, but their strategists reacted strongly to a suggestion made last July in Finland by the Soviet Defence Minister, Marshall Dimitri Ustinov, that Soviet and Finnish armed forces might hold joint exercises. The suggestion was rejected by the Finns. It was interpreted at Nato Northern Command headquarters at Kolsaas, in Norway, as a hint of how Moscow might react to the improved Nato preparedness in Norway, and as an attempt to dissuade the Norwegians from co-operating in this aim.

From the purely military point of view Nato's increased concern with its northern flank reflects the growing strategic importance of the area. The statement is true at two levels, one involving the basic nuclear balance between the U.S. and the Soviet Union, the other concerning Soviet capacity to cut the lines of communication between North America and western Europe by gaining naval and air control in the North Atlantic. The main threat at both levels comes from the Soviet military complex on the Kola Peninsula, where the Northern Fleet, most powerful of the four Soviet fleets, is based.

The limitations on the introduction of new nuclear weapons imposed on Moscow by the first SALT treaty with the U.S. immediately enhanced the importance of Soviet submarines carrying missiles of intercontinental range with nuclear warheads. By 1978 some two-thirds of this strategic fleet of 90 submarines was based on Kola.

The latest Delta class vessels can reach targets in the U.S. without moving out of the Barents Sea. This imposes on Nato, more particularly on the U.S., the need to track and destroy these submarines in the event of a nuclear confrontation. The principal counter weapon is the American killer submarines, most of which are serviced at Holy Loch, are nuclear powered, and can operate for long periods on their own. Surveillance of Soviet submarine movements is vital for the U.S., which needs to maintain its presence in the Norwegian Sea and Barents Sea and to deny the Russians the use of bases in Norway.

In the event of a conventional war short of a nuclear holocaust the value of the Norwegian bases would also be substantial. It has been increased during the past decade by the growth of Soviet sea and air power. The vital battle in such a war would probably be that for control of the North Atlantic, across which the North American reinforcements would have to be carried to Europe. NATO strategy is to hold the Greenland-Iceland-Scotland line to prevent the passage into the North Atlantic of Soviet submarines and surface vessels. This requires control of as much as possible of the Norwegian Sea, and in turn denial to the Russians of North Norwegian air bases. It also means keeping the Soviet Baltic fleet bottled up for as long as possible.

Some 10 years ago NATO still felt confident that it had the power to win these battles and retain control of the passages into the North Atlantic. Since then the Soviet Northern Fleet has not only become numerically stronger in all types of submarines and surface vessels, but it has undergone a dramatic modernisation. Soviet air force units deployed in the area are not significantly more numerous than they were a decade ago, but they have new aircraft equipped with stand-off missiles and electronics of a high standard.

Greater losses

The change in the naval balance, which officers at NATO Northern Headquarters attribut chiefly to the decline of American aircraft carrier capacity, means that it would take longer and involve greater losses for NATO to win the battle for the North Atlantic. In 1975 the Russians carried out their largest ever naval exercise, in which they practised strikes against NATO reinforcement routes in the North Atlantic. In the words of Admiral Isaac Kidd, then Supreme Allied Commander in the Atlantic, "the Soviets demonstrated both the capability and readiness to interdict NATO reinforcement and resupply."

Farther south a similar pattern of greatly enhanced Warsaw Pact strike capability threatens Denmark and the Baltic straits. This again is not a new phenomenon, but has built up over the last few years as the East Germans, Poles and Russians have improved the quality of their amphibious forces in the Baltic, undertaken manoeuvres increasingly close to Danish waters, and allowed their patrolling aircraft to approach closer to Danish air space. NATO headquarters assumes that the Warsaw Pact has plans for a pincer movement through the Baltic and Schleswig-Holstein to open the Baltic straits and to secure its right flank for the decisive confrontation on the central European front.

In the autumn of 1976 the Russians transferred from the Northern Fleet to the Baltic Fleet six older diesel-powered submarines of the Golf class, each capable of firing three nuclear missiles 1,200 km (about 750 miles). They are not regarded as constituting any special threat to the northern flank, but a considerable number of cities on the Continent and even in Britain are within their range. The Russians also "nuclearised" the Baltic, something which has upset the Swedes particularly.

The improvement in the general quality and striking power of the Soviet and Warsaw Pact forces on the northern flank has forced Nato to recognise the need for a better reinforcement plan for both Norway and Denmark. In a sense the greater urgency is in Denmark, because the battle for control of the Baltic straits is likely to be quickly decided, whereas in northern Norway Nato can trade space for time.

By 1977 it had become clear that the credibility of Nato on its northern flank depended on developing a faster reinforcement programme. The programme comprises two new elements: the storage in Norway and Denmark of heavy equipment for the reinforcement units; and increased air cover. The greater Soviet challenge to Nato's sea lines means that the relieving forces cannot depend on shipping their heavy equipment in the early phase of an emergency.

These plans deeply involve the U.S., Canada and Britain, for whom the northern flank is becoming an increasingly important forward defence front. A Canadian brigade will provide the main land reinforcement for Norway while British and Dutch marines are earmarked for either Denmark or Norway. Air reinforcements will come chiefly from the U.S. and Britain.

Both Copenhagen and Oslo are eager to enhance the credibility of the NATO reinforcements, destined for them, but are at the same time anxious that the regional equilibrium—Nordic balance—should not be upset, an aim which is fully appreciated within NATO. The pre-stocking of heavy equipment and the planning of the air reinforcement thus has to be done within the limits of the two countries' traditional refusal to allow NATO to station nuclear weapons on their territory in peace or war and to permit stationing of NATO troops during peacetime.

Criticised

The pre-stocking of NATO equipment in Norway, the details of which are still under negotiation, has been severely criticised in the Soviet Press. The Russians have also signalled their discontent with Norway's decision to participate in NATO's new airborne warning and control system, Awacs, but earlier this month the Norwegian Defence Minister, Mr. Rolf Hansen, said he had grounds for believing that the Soviet authorities took a realistic view of these developments.

A similarly realistic view is taken in neutral Stockholm and Helsinki to the strengthening of NATO's positions in Norway and Denmark. But both Swedes and the Finns have reservations about the future implications of the military escalation on both sides. It is recognised that, while Moscow and Washington remain intent on giving content to the detente which has prevailed for the last decade, realism is likely to prevail about the strategic situation of northern Europe. But, it is asked, what might happen should the SALT talks collapse, a change of leadership take place in the Kremlin, or an ambitious U.S. Senator choose to exploit the nuclear threat to his country from the Kola Peninsula and call for a stronger U.S. presence in Norway?

There are no visible disturbances to the Nordic balance at present. But the feeling that the underlying tensions in the area between the two blocs are strengthening, with the inevitable reflections upon relations between the Nordic states themselves, is exercising the minds of politicians and soldiers in all four Nordic capitals.

Letters to the Editor

The police put their case

From the Chairman, The Police Federation

Sir,—We wish to place before the public the policies formulated by the elected representatives of those who, in the course of their daily duty, face the crime and violence which has become endemic to our society.

Prospective Members of Parliament will no doubt encounter questions concerning the role of our police forces and debate matters which involve the liberty and security of our fellow citizens. We feel sure that all who responsibly aspire to represent others by election to Parliament will be seriously concerned with the intolerable growth of serious crime.

Over 2.5m indictable crimes were recorded by the police in 1978; five times the 1948 total. Crimes of violence, such as mugging, armed robbery, wounding, increased again by 8 per cent in 1978. Juvenile crime has reached such proportions that 75 per cent of all those known to have been responsible for crime were under the age of 21. Over 12,000 cases of assaults against police officers on duty occurred in 1978.

Is this remarkable when the average cost of police services is 38½p per week per head of the population, compared to £2.69p for education and £2.15p for defence?

There is no excuse for crime. Our laws and courts must reflect that concept. Crimes of violence must be met with the severest penalties. The powers of juvenile courts must be restored to allow them to determine the appropriate punishment for offenders. Sufficient secure accommodation must be provided for those sentenced to detention.

It is the duty of government and politicians to uphold the rule of law and to support the police in their efforts to apply it. The best insurance against crime is the existence of a properly manned, well equipped, trained and efficient police service.

Since 1975 the Police Federations have been conducting a campaign to draw attention to these crucial questions. We urge everyone to give the deepest consideration to our views and to lend support to our proposals.

James Jardine
(on behalf of the Police Federations of the United Kingdom).
15-17, Langley Road, Surbiton, Surrey.

Prices at steak

From Mr. Frank R. Clay

Sir,—The requirement that a restaurant should display its menu for the benefit of the would-be customer is doubtless well meaning, but little more. For example, the rump steak shown at £4 may weigh anything from four to ten ounces, and may be as tough as an old boot or as tender as a baby's bottom. There is no way of ascertaining the quality of any dish advertised, and one will not even be able to tell whether the establishment uses freshly ground coffee or an instant substitute.

The customer must discover for himself whether a restaurant meets his own particular needs and standards. He can only do this by acquiring that degree of familiarity which comes from a number of visits. The Government may tinker with the problem as it sees fit, but the benefits derived from this will be but minimal.

Frank R. Clay.
Greenroofs, Cropwell Road, Radcliffe-on-Trent, Notts.

The wealth tax

From Mrs. H. Derrick.

Sir, — I see (April 17) that the wealth tax proposed by Mr. Healey would exclude pension rights but what is he going to do about the capital value of inflation-proofing public-sector pensions? This is not easy to calculate as no insurance company will quote for a completely inflation-proofed pension, but some will offer a pension that increases annually at a fixed rate.

For example, while a pension of £1,000 a year can be bought for £7,000 at age 60, the same pensions increased by 10 per cent a year costs £18,000 at the same age. In other words, it costs £11,000 at retiring age to inflation-proof by only 10 per cent a £1,000 pension. Inflation between 1973 and 1978 averaged 16 per cent.

For a top civil servant with a pension of about £14,000 this means that if inflation is kept down to 10 per cent (which is doubtful) he has the equivalent of a lump sum of £154,000 (£246,400 at 16 per cent inflation) on retirement in addition to the value of his house and any savings he may have accumulated. So long as the Government refuses to inflation-proof private pensions, then in all fairness it should levy the wealth tax on the capital value of inflation-proofing public pensions.

(Mrs.) H. M. Derrick.
The Change, Rencick, Stroud, Glos.

Buying-in technology

From Dr. I. Ford and Mr. C. Ryan.

Sir,—The furore which has surrounded BL's discussions with Honda has masked some important issues in the sale and purchase of technology. In particular that the practice of buying-in technology is widespread. Our recent studies show that approximately a third of British firms have in the past bought technology under licence or other arrangements. Of these, three-quarters believe that their purchase of technology has contributed significantly to the success of their business and many have moved rapidly to a position of market leadership on the basis of this bought-in knowledge. The majority of technology purchased by UK firms comes from overseas, mainly from the U.S.A. One of our surveys, however, showed that over 40 per cent of companies in the sample have also sold technology to other companies.

The wide spread of technology deals in the UK is matched by similar levels in other countries. It is significant that Japanese companies obtained over 2,500 licences in their great attempt to catch up with Western technology. Similarly the recent growth of South Korean industry has been based largely on bought-in technology.

The implications for British companies are clear. They will face increasing competition from low-cost producers of moderate technology products. This is already clearly seen in consumer electronics, vehicle components and in the steel and foundry industries.

The length of time in which a technology can be exploited solely by turning it into a manufactured product is decreasing. Increasingly companies will have to plan the exploitation of their knowledge not only through their own production but through licences and direct sales. Perhaps one of the most successful examples of this is that of Pilkington with the float-glass process where a major contribution to the companies' profits is made from licences on this product, in addition to those from its own manufacture.

Companies must plan the full exploitation and development of their technology. This is much more fundamental than plans for straight-forward product replacement. It involves strategies for the timing of licensed deals, the assessment of the companies' own and other technologies and procedures for technological replacement. Despite this, our studies have shown that only 5 per cent of British companies have personnel who are fully engaged in technology purchase and sales.

It is often argued that any company that licenses its products or sells its technology is "selling its seed corn." This reflects a short-sighted and narrow-view of technology. Many companies have declined to license other producers only to find that their competitors have sold licences. The company then faces competition without the benefits of licence royalty.

A telling argument for the planned exploitation and development of technology is that it is not so long ago that the Japanese car industry was buying technology itself — from those very manufacturers who now feel themselves in danger from Japanese know how.

Dr. I. D. Ford,
C. J. Ryan,
School of Management,
University of Bath,
Claverton Down, Bath.

Supplies of copper tube

From the Chairman, Domestic Water Service Tubes Sub-committee, British Non-Ferrous Metals Federation Tube Group

Sir, — Many installers of plumbing and central heating equipment have been concerned recently about the supply of copper tubing, or the lack of it. Because it has not been readily available for sale from builders' merchants, as it should be in normal times, it may be presumed that the British copper tube makers must be at fault for not having made enough to meet the reasonable demands of the market. The facts, if anyone is interested, are rather different.

In 1978, the quantity of copper tube delivered to the UK trade was 14 per cent more than in 1977. This compares with a forecast of a 5 per cent increase in demand made by the distributors and suppliers of other components of plumbing and central heating systems at the beginning of 1978.

British copper tube makers supplied more tube to the market than in any previous year; yes, including 1973. This magnificent performance was achieved despite two British tube factories having been closed in 1975, when the Barber boom had run its course, and one of the major suppliers having suffered a month's stoppage rather than give in to a demand for a 25 per cent wage increase. That stoppage, last November, caused several distributors and contractors to order supplies of tube overseas, the tube arriving in this country as much as four months later because Continental tube mills are busy too. This purchase of tube revealed to first-time importers that British tube is much better designed for plumbing and central heating work than that to Continental specifications, our tube being more readily manipulated and less expensive as well.

As a result, a sort of plumbers' Gresham's Law is now operating, with installers using the foreign tube as quickly as possible to get rid of it before the panic dies down. The impression is thus created that there is no British tube available at all.

In fact, despite severe mechanical breakdowns at one of the major British supp[liers'] main factory in March, British copper tube makers delivered nearly as much tube to the market in the first quarter of 1979 as in the corresponding period in 1978 when, it may be recalled, building sites were not shut down for six weeks by snow, flood and road haulage strikes. Supplies of tube in the remaining nine months of this year from British mills are likely to exceed that delivered in the same period in 1978 by yet another 10 per cent.

There have also been calls to British tubemakers—and to UK distributors, too, by inference—to withdraw from export markets while demand for tube remains, apparently, so high at home. Alas, memories are too long for that. If it had not been for exports in the period 1974 to 1977, more of the British factories would have closed and it is not good business sense to walk away from customers now who kept our businesses alive then.

On prices, British copper tube makers, like the rest of manufacturing industry, are tightly controlled by the Price Commission. It is overseas producers, not members of our Federation, who are free to charge what the market is clearly prepared to pay.

It does seem sad that people feel impelled to criticise the supposedly poor performance of British industry when that industry, together with its fellows supplying kitchens, baths, boilers, radiators, pumps, cylinders, controls and fittings, was able in 1978 to support an increase in plumbing installations of around 5 per cent and of central heating installations of no less than 20 per cent on the previous year.

After 100 years of steady decline from our position as the world's No. 1 in industry and commerce, have we in Britain forgotten how to celebrate success without at the same time complaining that the gold medal should have been bigger?

R. M. Jones,
British Non-ferrous Metals Federation.
Crest House, 7, Highfield Road, Edgbaston, Birmingham.

Today's Events

GENERAL

UK: Mrs. Margaret Thatcher, Conservative Party leader, appears on TV BBC 1 Nationwide in a live phone-in question and answer session.

Unions at The Times meet to discuss latest set-back to publication plans.

National Association of Schoolmasters-Union of Women Teachers conference concludes, Congress Theatre, Eastbourne.

National Union of Students' conference, Winter Gardens, Blackpool.

International conference opens on waterfront archaeology in North European towns, at Museum of London (until April 22).

Sir Kenneth Cork, Lord Mayor of London, lunches with the chairman of Lloyd's Register of Shipping at 71 Fenchurch Street.

Lord Cornwallis and Lord Astor of Hever speak at Kent Mayors' Association county banquet, Maidstone.

Overseas: Financial Times conference on South Asian banking and finance, Shangri-La Hotel, Singapore, concludes.

COMPANY RESULTS

Final dividends: BSG International, Clayton, Son and Co. (Holdings) Andrew R. Findlay Group, Liberty and Co. Websters (Publications). Interim dividends: Lowland Investment Company.

COMPANY MEETINGS

W. Canning, Royal Angus Hotel, Birmingham, 3. Carliol Investment Trust, Milburn House, Newcastle upon Tyne, 12.15. H. Woodward, Altcor Works, Formley, Liverpool, 3. F. W. Woolworth, Connaught Rooms, Great Queen Street, WC, 11.45.

LUNCHTIME MUSIC, London

Recorded music by Handel at Holy Sepulchre, Holborn Viaduct, 1.15.

Singers workshop at St. Mary Woolnoth, Lombard Street, 1.10.

EXHIBITIONS

Open Day at Stationers Hall, London, 12.30.

Essex Record Office displays the Petre papers covering ... years at the family home, Ingatestone Hall (until October 6).

Paintings from Mughal India, P. D. Colnaghi Gallery, London (until May 19).

UK COMPANY NEWS

Dunlop down at £43m after Europe tyre loss

DUE TO losses in the European tyre business, especially in the UK, Dunlop Holdings reports pre-tax profits down from £57m to £43m in 1978. First-half profits had fallen £10m to £22m.

After extraordinary debits of £18m (nil) and minorities, the attributable loss is £7m compared with a £20m profit.

Earnings per share are shown at 8.1p against 16p but the dividend is maintained at 5.3p with an unchanged final of 2.65p.

Most of the group's other activities, both in the UK and overseas earned higher profits and their prospects continue to be encouraging, the directors say. Action is being taken to achieve recovery of the European tyre businesses.

The value of sales for the year was 8 per cent higher than in 1977. *Sales in the UK at £591m* were 10 per cent up and exports from the UK increased 8 per cent to £152m. Overseas sales rose by 7 per cent to reach £884m.

Profit on a current-cost basis was cut to £13m after additional *depreciation of £24m, cost of* sales, £20m and £18m gearing.

Sir Campbell Fraser, the chairman, said that "taking into account the probable course of this year we decided we should maintain the final payment at last year's level."

The loss on UK tyre manufacture is reckoned to have been around £8m against a profit of some £2m in the previous year. That is without taking into account financing charges which could double the figure.

In Europe, *basically* France and Germany where some 2,000 people have been made redundant in the past 18 months compared with the 2,400 being made redundant at Speke, the loss on tyre manufacture was reduced last year to around £4m compared with £6m in 1977, before financing charges.

	1978 £m	1977 £m
Sales	1,475	1,367
*Operating profit	64	75
†Associated share	14	12
Profit	78	87
Financing charges	35	30
Profit before tax	43	57
Tax	24	25
Net profit	19	32
Minorities	8	12
Attributable	11	20
Extraordinary debits	(18)	—
Loss	7	‡20
Dividends	8	8
From reserves	15	§12

* After depreciation of £41m (£38m). † And investment income. ‡ Profit. § To reserves.

The charge for extraordinary items relates to the rationalisation of tyre operations and some closures of other unprofitable businesses, mainly in the EEC.

The share of associates' profits included *£8m (£11m) from* Pirelli companies (before Dunlop's financing charges and tax). The reduction is mainly due to greater losses in Spain and Australia. Dunlop's investment in Pirelli Ericsson Cables Australia was sold at the end of 1978.

Minority interests included £2m (£8m) profits (after financing charges and tax but before extraordinary items) attributable to Pirelli from Dunlop companies.

Of the associates, other than Pirelli, the Japanese company Sumitomo Rubber Industries recorded a sharp rise in profits. The International Synthetic Rubber Co. and Dunlop Iberica SA *incurred losses.*

Funds generated by the group *represented 59 per cent of* requirements in 1978 compared with 79 per cent in the last five years.

The average age of the group's medium- long-term borrowings increased from five years at the end of 1977 to seven years at end 1978. During the year two Deutschemark loans amounting to DM 150m (£40m) were redeemed and replaced with domestic sterling loans.

Capital expenditure totalled £56m in 1978 compared with *£55m. During the year the* planned capital investment programme was reviewed to conserve cash resources and priority is being given to projects showing greatest promise. Stringent controls are being applied to working capital levels, the directors say.

The rationalisation and modernisation programme for the UK tyre business will require further increases in UK medium/long term borrowings and the facilities have been arranged.

See Lex

HIGHLIGHTS

Lex looks at **Dunlop** which has maintained its dividend although profits have fallen for the second year running because of serious losses on its European tyre operations. **RTZ's** figures are better than expected due to a significant improvement in metal prices during the second half and the dividend is lifted by a fifth. **Blue Circle's** results are disappointing with a fall in profits from UK cement despite a slight rise in demand; the overseas side, however, is helping to sustain some profits growth. Lex also looks briefly at the money supply figures which show a fall on March after large offsetting movements in bank lending and public sector debt sales. Elsewhere **Ready Mixed Concrete** has come up with some very good figures though little of its profit growth reflects the improvement in the UK construction sector. At **Northern Engineering** acquisitions account for much of the profits gain, but **Hunting Petroleum** disappoints with a missed forecast and the shares eased 8p to 120p.

Growth for Forward Technology

TAXABLE PROFITS of **Forward Technology Industries**, manufacturer of electronics, specialised machinery and plastic-based products, expanded from £653,000 to £954,000 in the half year to December 31, 1978. Turnover was well ahead at £17.93m, against £10.21m.

The directors say each of the main product areas has made a good contribution to profits, and *the outlook continues to be satisfactory.*

After tax for the half-year of £239,000 (£200,000), earnings per 25p share are shown to have risen from an adjusted 2.68p to 4.26p. The net interim dividend is lifted from 1.5p to 2p—last year's total payment was 3.453p on pre-tax profits of £1.37m. The 50p shares were sub-divided into 25p shares last November.

Taxable profits were struck after interest of £376,000 (£143,000).

SHARE STAKES

Merchants Trust: On March 23 the Metropolitan Trust Company (subsidiar yof Guardian Royal Exchange Assurance) acquired 3,000 4½ per cent cumulative preference stock units, and on April 3 acquired 2,000 of these units, bringing the company's holding to 64,500. GRE now holds 20,000 cumulative preference units. The total of these represents 7.173 per cent of total issue.

Dawson International: Prudential *Assurance Company holds* 2,892,350 shares (5.7 per cent).

RMC advances to £36.55m

AS FORECAST, **Ready Mixed Concrete**, the concrete and quarrying group, made *further* progress in the second half of 1978. The group pushed up the year's taxable profits by 25 per cent from £29.3m to £36.55m. At midway, it announced that the surplus was ahead from £12.02m *to £14.15m.*

The year's figures have been based on a revised depreciation charge after a review of the effective working lives of fixed assets.

On the current year the group says that during the first quarter it was badly hit by the severe weather in Northern Europe.

The group says that the adoption of SSAP 15 and the depreciation rate changes has increased retained profit at January 1, 1978 by £27.99m to £57.41m.

Turnover in 1978 rose from £547.1m to £632.2m, and the proportion from overseas increased from 51 per cent to 53 per cent. The UK operating profit was lifted from £18.37m to £20.7m and the West German contribution jumped from £7.75m to £10.9m. The operating surplus of other countries went ahead from £4.76m to £6.45m. These figures have been adjusted for the new depreciation rates.

After tax and minorities earnings come out much higher at £20.65m, against £14.63m, and stated earnings per 25p share are lifted from 22.2p to 28p basic, and from 20p to 27.7p fully diluted.

The final dividend of 3.91p net takes the total payout from 5.77p to 6.7p.

	1978 £000	1977 £000
Turnover	632,190	547,103
Operating profit	38,043	31,382
Prof before tax	36,551	29,300
Tax	11,511	11,564
Profit after tax	25,040	17,736
Minorities	4,388	3,111
Extraordinary credit	—	332
Available	20,652	14,957
Dividends	4,952	3,823
Retained	15,700	10,959

It was also announced yesterday that Norcros, the diversified industrial group, has agreed to buy Anglian Building Products, a subsidiary of Ready Mixed Concrete.

The price is believed to be around £800,000 in cash, although the exact figure will be based on the net assets of Anglian at the close of business on April 16.

Anglian, which makes pre-cast and pre-stressed concrete units near Norwich, will fit into the construction division of its new parent.

Norcros, which recently acquired H. and R. Johnson-Richards Tiles after a protracted *bid battle, said last night that* Anglian "had oscillated between profit and loss for the last 15 years."

Norcros, however, feels Anglian will be better off under its wing because its construction division already has interests in pre-cast and pre-stressed concrete.

● comment

Ready Mixed Concrete has come up with very good figures, but little of its growth reflects the *modest upturn in the UK construction industry.* The builders' material side performed well but deliveries of concrete in Britain were actually down, and the main thrust of profits came from overseas. In Germany, operating profit rose 40 per cent and the French operation came back into the black. A £¾m drop in RMC's interest charge helped last year, but capital spending is very high at the moment and borrowings have climbed back to £30m, from *£21m at the end of 1977.* As RMC has taken deferred tax into reserves, shareholders' funds are up at £115m or so, which leaves overall gearing looking modest. The first half of this year may not be brilliant, but RMC expects to recover the ground lost in the bad winter. For 1979 *as a whole pre-tax profits* could exceed £43m, which at 168p makes the prospective fully-taxed p/e about 8 with an historic 6 per cent yield.

7.7% improvement lifts Blue Circle to £51.6m

BEFORE a £1m special contribution to pension funds, pre-tax profits of **Blue Circle Industries**, formerly Associated Portland Cement Manufacturers, rose 7.7 per cent to £51.6m in 1978.

Earnings per £1 stock unit are shown to have risen from 27p to 35.1p and the total net dividend is raised from 9.4401p to 10.4322p with a final payment of 7.2122p. The 1977 total includes a supplementary payment of 0.0978p which is also announced.

In the UK home deliveries of cement increased by 2 per cent and exports by 6 per cent but the benefits of these increased volumes were more than offset by delayed price increases following the intervention of the Price Commission and the effect on costs of the disruption in mid-year caused by an unofficial labour dispute. But for this disruption, both home and export sales would have been higher. Profits from cement coupled with improved performances from non-cement activities, enabled the group to achieve trading profits in the UK of £24.4m (£22.1m).

	1978 £m.	1977 £m.
Turnover	436.7	370.8
Trading profits	33.1	31.6
UK	24.4	22.1
Overseas	8.7	9.5
Share of assocs.	21.8	18.8
Investment income	3.9	4.2
Finance charges	7.2	6.7
Profit before tax†	51.6	47.9
To pension funds	1.0	—
Tax	19.3	23.2
Profit after tax	31.3	24.7
Minority profits	2.8	2.9
Attributable	28.5	21.8
Dividends	8.5	7.6

† And exceptional items.

Overseas profits, including share of profits of associates which are almost entirely overseas, have increased overall approximately £21m (£18.3m).

Depreciation of £30.3m *(£26.5m)* has been provided in respect of the parent company, its subsidiaries and associates on the depreciated replacement cost of fixed assets. Had depreciation been charged on historical costs, profits before and after taxation would have been increased by

See Lex

DIVIDENDS ANNOUNCED

	Current payment	Date of payment	Corresponding div.	Total for year	Total last year
Ash and Lacy	3.89	May 31	3.93	7.39	6.63
Bentalls	1.02	June 4	1.18	1.32	1.18
Blue Circle	7.21**	June 11	6.45	10.43	9.44
S. Casket ......§int.	0.5	June 25	0.4*	—	1.08*
Charterhouse Grp.	0.92	June 29	2.18	4.61¶	3.36‖
Clive Discount	3.3	June 13	2.77	5.33	4.78
James Crean ......int.	1.75	July 11	1.54	—	5.25
Dunlop	2.65	—	2.65	5.3	5.3
East Rand Gold	25††	June 8	—	25	—
Forward Tech. ......int.	2	May 31	1.5	—	3.45
Free State Gdld. ††int.	185	June 8	130	—	315
Gen. Scottish	2.5	July 4	1.85	4	3.35
Hawker Marris	5.17	—	4.67	7.14	6.46
Hunting Petroleum	[illegible]	—	—	4.65	—
Leadenhall Sterling	3.69	June 18	2.43	5.66	4.12
London & Holyrood	2.95	July 27	2.5	4.2	3.6
Ldn. & Prov. Tst.	2.7	July 27	2.3	3.95	3.4
Wm. Low ......int.	2.1	May 25	1.65	—	6.11
Maple	0.75	May 31	nil	0.75	nil
Modern Engineers	1.94	June 4	1.72	3.01	2.7
Myson	1.5	—	1	2.75	1
Northern Eng.	5	July 6	4	7.5	6
Pengkalen ......int.	1	July 2	1	—	4.5
Photo-Me Intl. ......int.	2.21	May 25	1.98	—	6.03
President Brand ††int.	115	June 8	65	—	150
President Steyn ††int.	65	June 8	30	—	80
RMC	3.91	—	3.27	6.7	5.77
RTZ	8	July 2	6	11.5	9.5
Scottish Mortgage	2.5	June 28	2.1	3.9	3.3
Sennah Rubber	40‡	—	35	40	35
Supra	1	—	0.54	[illegible]	0.85
Welkom Gold ......††int.	42.5	June 8	25	—	65
Western Hldgs. ††int.	270	June 8	190	—	415

Dividends shown pence per share net except where otherwise stated.

* Equivalent after allowing for scrip issue. † On capital increased by rights and/or acquisition issues. ‡ Gross throughout. § To reduce disparity. ¶ For 15 months. ‖ For 12 months. ** Supplementary 0.0978p on account of 1977 also announced. †† SA cents throughout.

Midland believed to be interested in French bank

BY TERRY DODSWORTH IN PARIS AND MICHAEL LAFFERTY IN LONDON

The **Midland Bank** is believed to be on the point of taking a controlling stake in Banque de la Construction et des Travaux Publics (BCT), a Paris-based *bank which specialises in the* building sector. Midland has refused to comment on the report, though it is known that an announcent relating to this bank is imminent.

Shares in BCT were suspended yesterday at FFr 124 following the bid talk, giving the company a market capitalisation of FFr 88.8m.

BCT has been going through a rough patch recently following the period of rapid growth in the French construction industry in the early 1970s.

At one point in 1972, its shares stood at FFr 780, but they have been falling steadily since, and in 1977 it made an abortive effort to link up with another Paris investment bank, Omnium Financier de Paris.

This deal was effectively stopped by the Government but similar opposition is not expected to the Midland proposal. It is being suggested in Paris that this is because the link with Midland should ensure the future of the operation without any loss of jobs.

Some 38 per cent of the BCT capital is held by Immobiliere Constructions de Paris, a building and property investment *group which shares several* directors with BCT. ICP has been seeking partners recently for some of its affiliates because of the depressed state of the building industry.

Midland already operatesce a subsidiary, Midland Bank France with a capital of £11m, in Paris. It commenced operations last October.

Midway rise to £793,000 at J. Crean

Taxable profits of Dublin-based James Crean rose 21.8 per cent, from £651,000 to £793,000, in the six months to December 31, 1978, on turnover up from £10.89m to £13.19m.

The directors say trading since December has continued to be satisfactory, and they expect full-year profits to be higher than the £1.52m last time.

In the period under review, each subsidiary contributed to the increase, and their *performance reflects steady* and continuing growth in sales and profits.

After tax for the period of £359,000 (£315,000), earnings per 25p share are shown up from an adjusted 4.21p to 5.18p. The net interim dividend is stepped up from 1.54p to 1.75p and absorbs £129,000 (£113,000)—last year's total was 5.25p. The 50p shares were subdivided into two 25p shares in February.

Minorities took £48,000 compared with £28,000.

The group is a stockist and distributor of electric and welding products in the UK and Ireland, and manufactures soft drinks and distributes beer and soft drinks in Ireland.

Charterhouse makes progress to £11.36m for 15 months

A PERIOD of sound progress for **Charterhouse Group** resulted in pre-tax profits of £11.36m for the 15 months to December 31, 1978, compared with £6.81m in the previous year. The results exclude its banking side, *Charterhouse Japhet,* which earned a net surplus after tax and transfer to inner reserve of £949,000 against £815,000.

At the 12 months stage, group taxable profits showed a 44 per cent increase to £9.81m.

The company has changed its year-end to produce a more even *half-yearly split of group profit.*

Trading profits for the 15 months reached £18.65m (£11.98m); a breakdown of which shows (in £000's): development capital £3,823 (£2,570); insurance broking £2,414 (£2,533), engineering £7,283 (£3,988), construction products £189 profit (£1,036 loss), distribution and services £5,720 (£4,859), oil exploration and production £655 (nil), and central activities £1,434 loss (£936 loss).

Group profits were after a first *time annual charge of around* £300,000 for depreciation of properties in accordance with SSAP 12. Interest charge takes £7.29m (£5.17m).

The directors say bank profits are satisfactory in what was a difficult trading period, while the development capital sector had a good year.

Insurance brokerage income increased but profits of Glanvill Enthoven were lower because of the recession in world shipping and adverse movements in exchange rates.

Improved profits were earned in the engineering sector, reflecting excellent results from Newage Engineers.

Further rationalisation has taken place in construction products and the sale of Charcon *Structures, which was loss-making,* helped the turnround in this sector, which nevertheless continued to experience difficulties.

Spring Grove Services and Napcolour achieved further growth, while Edmundson Electrical's results were lower than in 1977—this company was sold to a major U.S. electrical wholesaler in January 1979. Provisions have been made against possible losses from trading in 1978 in Nigeria and the Middle East.

The first contribution to group profit from the investment in the Thistle Field came in April, 1978. Production delays in the latter part of the year, however, meant that results were less than expected.

Since the year-end, the group has made a further investment in the Thistle Field which should significantly increase the profits attributable to this sector, the directors state.

Earnings per 25p share for the extended period are given higher at 8.275p against 5.73p, and a final dividend of 0.9226p makes *a net total for the 15 months* of 4.6131p, compared with the previous year's 3.355p.

	15 mths. 1977-78 £000	12 mths. 1976-77 £000
Trading profit	18,650	11,978
Interest paid	7,291	5,170
Profit before tax*	11,359	6,808
Tax	3,627	2,130
Net profit	7,732	4,678
Bank profit†	949	815
To minorities	894	332
Exchange losses	793	961
Extraord. debits	‡1,623	719
Making	5,471	3,481
Retained	1,032	282

* Excluding bank. † After tax and transfer to inner reserve. ‡ Includes *£974,000 written off premium on acquisition of subsidiaries.*

The directors say that details of profits for the 12 months to end-1978 will be given in the accounts to aid future comparisons.

● comment

Fifteen-month profits from Charterhouse Group blur true growth comparisons since they take in two seasonally poor quarters. Still, an annualised pre-tax improvement of a third, excluding any contribution from the banking arm, is reasonable going, particularly since the group made material above the line provisions at the end of the period to allow for potential losses in Nigeria and the Middle East. While it may be hard to *see anything other* than a flat year from the insurance broking activities once again, Newage Engineers is showing its paces and Charcon Products is expected to make a strong contribution, undisguised by losses in other parts of the construction products divisions. Most attention, however, will inevitably focus on Thistle whose impact on profits in the 15 months may have been doubled were it not for varied technical difficulties and delays. The Ashland acquisition last February *lifts* Charterhouse's stake in the field from 1 per cent to 2.3 per cent and, while high gearing will obviously play a significant role in this year's performance, the shares at 75p are well supported by prospects and an annualised yield of 7.4 per cent.

Ocean Transport balance sheet over the worst

In the 1978 annual report of Ocean Transport and Trading, one point of outside interest to emerge is that the profits of Overseas Containers only fell by 25 per cent in 1977-78 which gives a figure of close to £37m—somewhat better than expected.

However, the main point of interest is that in terms of balance sheet pressures Ocean appears to be over the worst. Capital spending fell sharply in 1978 from £93m to £46m, capital commitments are down by close to a quarter, at £69m, and contingent liabilities have dropped from £56m to £23m.

Meanwhile, net borrowings are unchanged at £170m. The group has kept its working capital under tight control and the combination of depreciation (£22m) and ship sales (£28m) was enough to cover capital spending.

Some £12m of investments were sold last year but the group still has £13m in hand and negligible short term borrowings.

Court strike delays dividend from Belhaven

The court officials' strike in Scotland has delayed a number of transactions for Belhaven Brewery Group including payments of the interim dividend, declared in November.

The company expects to make the payment, of 0.42p net per 25p share, with the final which is to be announced shortly.

The group began its current financial year on April 2, with high sales level at all its trading subsidiaries. The directors anticipate that this position will continue throughout the 12 months.

The delay has affected the issue of the Class 1 circular necessary to meet Stock Exchange listing requirements. This is to be sent with the 1978-79 annual report.

Wm. Low ahead to £0.92m and upgrades full-year outcome

AN INCREASE in pre-tax profits from £619,917 to £922,242 in the 28 weeks to March 17, 1979, is reported by Wm. Low and Co., supermarket operator. Turnover rose from £32.39m to £38.13m.

The directors expect a similar operating profit for the current half-year, giving a more favourable annual result than had originally been estimated.

The directors say steady progress is being made with the company's development programme. Lowfreeze sales continue to expand, and its contribution is up to expectations.

Tax for the 28 weeks took £479,566 (£322,357). The net interim dividend is lifted from 1.65p to 2.1p—last year's total was 6.1115p. The directors say the increase reflects their intention to preserve a balance between the interim and final payments.

Pre-tax profit was struck after interest of £113,122 (£109,551) and includes a gain on sale of assets this time of £33,132.

● comment

The market responded well to Wm Low's 49 per cent profits rise and forecast implying an outcome of £1.8m pre-tax for the year, and the shares jumped 14p to 118p. Against a background of static food sales, the Scottish-based supermarkets chain has made some useful volume gains and margins have edged up from 1.9 per cent to 2.4 per cent, although the increase is only a fraction better than last year's second half. Underlying food sales *were roughly 5 per cent* higher while the freezer division (8 per cent of group sales) showed a 50 per cent jump. Food sales are still highly competitive but, unlike last year, the company is not having to slash prices to quite the same extent in order to get market share. The prospective fully taxed p/e is 9.3 while the yield is 8.7 per cent—a rating not dissimilar to other regional food groups.

Record £0.34m by Modern Engineers

Profits before tax of **Modern Engineers of Bristol (Holdings)** moved ahead from £252,182 to a record £342,951 for 1978, on turnover up £1.14m to £8.51m.

When reporting first-half profits of £255,659 (£204,023), the directors anticipated a further increase in the full-year result.

With stated earnings per 25p share higher at 6.39p (5.02p), the dividend total is raised from 2.6955p to the maximum permitted 3.01p, with a 1.94p final. A one-for-five scrip issue is also proposed.

Tax took £183,302 (£126,586) and dividends absorb £75,250 (£68,050).

CMG takes on UK agency

Clerical, Medical and General Life Assurance Society is to act as the UK *correspondent for the* Aetna Life and Casualty Company of Connecticut, and Assicurazioni Generali of Trieste, Italy.

CMG will provide group life and long-term disability cover to multi-national companies.

The Aetna-Generali network dates back to 1966 when it was established to provide group life, long-term disability, accident and medical expense insurance worldwide for employees of multi-national companies.

In the U.S. the network is represented by Aetna, one of the largest multiple-line insurers in North America.

UK COMPANY NEWS

Bentalls rise

DESPITE a slow-down in the second half, when profits were ...m against £1.86m, Bentalls ...ned in a taxable surplus of ...2m for the 53 weeks to January 3, 1979—a 22.3 per cent increase on the £2.47m for the previous year.

Sales excluding VAT of this department store operator rose ...2 per cent from £35.6m to ...71m.

At halfway, profits were well ... at £1.12m compared with ...61m and the directors anticipated a satisfactory full-year. There is an exceptional debit ... £94,000 (£137,000 credit), including a £44,000 post-acquisition loss at the Chatham store which is undergoing reorganisation and £85,000 computer development expenditure. Last year's exceptional credit included a £102,000 rates refund.

The tax charge of £1.27m (£0.96m) has been amended to comply with SSAP 15.

Stated earnings per 10p share are 3.99p, against 3.98p, after tax. The net total dividend is lifted from 1.18024p to 1.31794p, with a 1.01794p final. Retained profit on the year came through at £1.11m compared with £1.16m.

Depreciation of freehold and long-term leasehold premises totalling £85,000 has been charged for the first time, and comparisons adjusted.

Northern Engineering puts on 21% to £30.5m

TAXABLE PROFITS of Northern Engineering Industries went ahead by 21 per cent in 1978. The surplus rose from £25.16m to £30.46m on turnover 17 per cent up at £451m. The figures reflect a second-half slowdown. At midway the group turned in pre-tax profits of £15.57m, against £11.65m.

Exports rose from £95m to £115m and the turnover of overseas companies from £57m to £70m.

After tax of £6.72m, compared with £5.9m, and minorities of £984,000 (£365,000) attributable profit is well ahead from £18.9m to £22.76m. Stated earnings per 25p share are 29.63p (based on 75,419,861 shares), against 28.87p on 64,016,589 shares.

	1978 £000	1977 £000
Turnover	451,000	387,000
Trading profit	31,824	26,611
Interest payable	1,360	1,454
Profit before tax	30,464	25,157
Tax	6,717	5,896
Minorities	984	365
Attributable	22,763	18,896
Extraord. debits	23	750

The final net dividend of 5p lifts the total from 6p to 7.5p, and there is a one-for-one scrip to bring issued share capital in line with the underlying assets.

The electrical, mechanical and combustion engineering group was formed from the merger of Clarke Chapman and Reyrolle Parsons.

● comment

Acquisitions account for maybe three-fifths of Northern Engineering's profits progress in 1978, and the rest comes from growth in the mechanical, electrical and overseas businesses. Against that, the marine side has been through a sticky patch, and substantial provisions have been required following problems in heavy cranes.

The group says that it has an adequate workload for 1979, and is looking for further profits growth: an increase of over 10 per cent seems probable. Thereafter a lot rests on the outcome of current tenders for work overseas—notably in China—and on the contracts for the two advanced gas-cooled reactors which are to be ordered in the UK. The group expects to receive the hardware contracts for the boilers around the middle of this year: design contracts for the generators will be placed at about the same time, and Northern hopes to get a share of this work too. No inflation adjusted figures are provided, but on an historic cost basis the dividend yield of 8½ per cent at 128p is well covered.

BOARD MEETINGS

The following companies have notified dates of Board meetings to the Stock Exchange. Such meetings are usually held for the purpose of considering dividends. Official indications are not available as to whether dividends are interims or finals and the sub-divisions shown below are based mainly on last year's timetable.

TODAY

Interims:—British Empire Securities and General Trust, Lowland Investment

Finals:—Automated Security Holdings, B.S.G. International, Clayton Son, Andrew R. Findlay, Liberty, Lowland Drapery, Marshall Cavendish, Steel Brothers, Websters Publications, Wilson Connolly.

FUTURE DATES

Interim:—

Sungei Bahru Rubber Estates	May 3
Finals:—	
Alpine Holdings	April 24
Amalgamated Power	April 26
Border Breweries	April 25
Burrell	April 27
Copydex	April 26
Home Charm	April 25
Mothercare	May 8
United Carriers	April 24
Wight Construction	April 25

Record £0.76m for Supra

ANOTHER record year is reported by Supra Group, the motor component and paint concern. After raising taxable profits £100,000 to £319,961 at midway, the company finished the year to November 30, 1978, ahead from £607,486 to £764,956. Sales were up £1.08m at £6.33m.

The directors say turnover for the first four months of this year is running well ahead of the same period last year and they anticipate a steady increase in the group's expansion and prosperity.

A final net dividend of 1.0027p lifts the total to 1.584p (0.8513p) on capital increased by the rights issue. Treasury approval has been given. A one-for-10 scrip issue is proposed.

And after tax of £114,055, against £183,398 stated earnings per 10p share are lifted from 6.15p to 7.02p.

Ash and Lacy betters forecast with £0.5m increase to £1.9m

BETTER - THAN - EXPECTED profits are reported by Ash and Lacy, the steel stockholder and perforator. The group pushed up the taxable surplus from £1.4m to £1.9m in the year to December 29, 1978, on sales ahead from £24.6m to £30.2m.

The directors say the group is in a very strong financial position.

At halfway when pre-tax profits were nearly 45 per cent up at £876,000 the directors forecast that profits would be held at the same level in the second half.

The Board now says they will consider carefully the most efficient use of cash resources, with top priority being given to organic growth and development of the group's most profitable areas.

Factors in the company's favour this year are the elimination of the trading losses on the steel stockholding warehouses at Smethwick and Tonbridge—over £200,000 in 1978. Equally significant is the interest from cash flow following the sale of steel stockholding assets.

On the other hand the group was hit by the haulage drivers' strike and by the bad weather which reduced building activity. There is also the cost of moving the Wolverhampton galvanising operation to Telford, Salop.

After tax for the year of £539,000 (£463,000) stated earnings per 25p share are well ahead from 23.1p to 33.5p. There is an extraordinary debit of £101,000, against £288,000 credit.

The final dividend is 3.8857p net lifting the total to the maximum permitted 7.3875p.

● comment

ASH AND LACY'S profits growth in the second six months may be lower than that of the first half but a 36 per cent pre-tax increase is still in line with the best market expectations. One of the strongest performances in the second half came from the galvanising activities of Joseph Ash and Son and it is the galvanizing side, notably in the form of the new Telford plant, which currently holds the greatest potential. However the Telford project which will cost roughly £1.5m, will not come on stream until next year. The group also has high hopes for the development of steel cladding sheets. Meanwhile, with the loss making steel stockholding activities now out of the way—only some stainless steel stockholding remains — the company effectively starts 1979 from a base of £2.1m. It should not therefore be unrealistic to expect pre-tax profits around the £2.5m mark. At 156p the shares are on a historic p/e of 4.5 while the yield is 7.2 per cent.

Recovery continues at Myson

WITH SECOND half surplus rising from £568,258 to £885,291, the recovery at Myson Group continued and 1978 finished with pre-tax profits of £1.61m compared with £126,350 previously.

At midway, when there was a turnround from a £431,908 loss to a £729,420 surplus, the directors anticipated a further improvement in the second half.

The profit this time includes £107,025 capital surplus. Tax took £69,134, leaving net profit at £1.55m.

The net total dividend is lifted from 1p to 2.75p, with a 1.5p final.

The group designs and makes heating, ventilating, air-conditioning and industrial heat-transfer equipment, etc.

● comment

Myson should be on course for record profits this year—the 1973 peak of £3m pre-tax was achieved over an 18-month period — but much depends on a strike-free run over the next eight months. The shares have been trading near the annual high point but fell 4½p to 73p yesterday and the market needs to be convinced that industrial relations difficulties are a thing of the past. The group lost a month's production at Hull last autumn but is now convinced that new productivity schemes have created an era of industrial calm. Perhaps of greater long-term importance, Myson needs to show that it is prepared to consolidate after what it would probably admit was a four-year period of over-ambitious expansion. Certainly, the Soledac subsidiary in France is now making a profit and Penrad, which made no contribution last time, will also chip in particularly when the second production line comes on stream next month. A fully taxed p/e of almost 9 and a yield of 5.7 per cent however, may still hold the view that with sales running at over £50m annually, Myson has good deal more to prove.

Clive Discount falls to £1.4m in testing year

CONSOLIDATED net profits of Clive Discount Holdings fell from £2.12m to £1.42m in the year to March 31, 1979. But shareholders funds are at a record level, and the company is paying the maximum permitted dividend.

The disclosed profits are struck after substantial provision for rebate and tax, and a transfer to contingency reserves.

They add that the surplus is "most satisfactory" in a testing year when MLR doubled to 13 per cent after a brief period at 14 per cent.

Shareholders' funds rose 8.2 per cent to £7.82m. The net final dividend of 3.3017p per 20p share lifts the total from 4.78p to 5.3317p.

● comment

Like other discount houses, Clive's one-third profits shortfall reflects the difficult conditions in the discount market generally. Such companies do not benefit from upward movements in interest rates and MLR showed a 7.5 points rise to 14 per cent before easing back near the year end to 13 per cent. The company's results, which were slightly better than the market expected, compare favourably with Allen Harvey's 51 per cent downturn only because Clive's year end falls seven weeks later—a period during which money market rates were beginning to fall. A continuation of this trend will clearly aid the recovery but rising inflation and the increasing demand for credit must introduce a note of caution. At 105p the shares yield 7.8 per cent.

GEC APOLOGISES

The General Electric Company says it regrets if a press release of April 4 gave the impression that Messrs Philip Moody and Co., solicitors to the Associated Electrical Industries Pension Fund Members Action Committee, acted in breach of an undertaking.

GEC now says that this was not the case and it was not their intention to suggest that it was so.

The press release related to a confidential meeting between the trustee of the AEI scheme and Messrs Philip Moody.

GEC "sincerely regrets any embarrassment and is happy to publish this correction."

Scottish Mortgage advances

FOR the year to March 31, 1979, pre-tax profits of Scottish Mortgage and Trust Company show a £648,049 advance at £4,956,268.

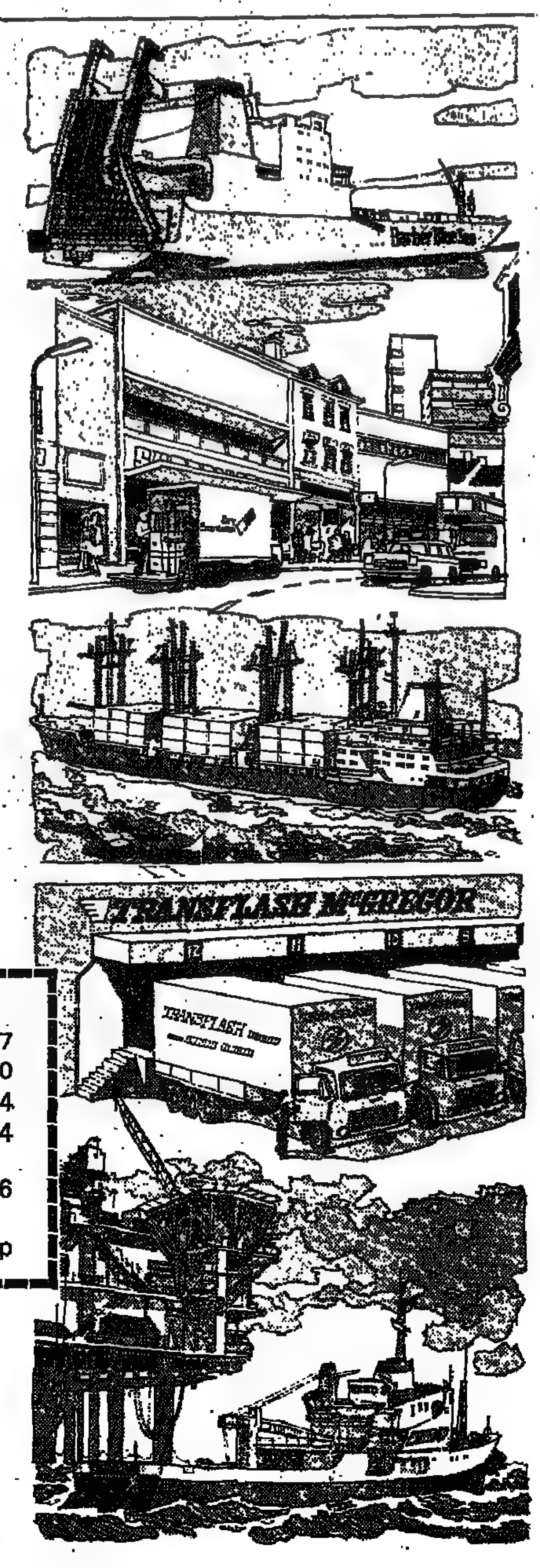
Earnings per 25p share are shown to have risen from 3.24p to 3.99p and the final dividend is 2.5p for a 3.9p (3.3p) total.

The Board states that shortly before the end of the year the company sold $6.5m of investment currency at an average premium of 37.7 per cent on an exchange rate of $2.036, and has replaced $4m of those sold with a bank loan of the same amount, repayable on April 26, 1984, and with a fixed rate of 10⅛ per cent.

A portion of the currency proceeds have been put into gilts to offset the adverse effect on income.

J. LYONS

Allied Breweries says that at adjourned meetings yesterday resolutions approving the proposals to exchange J. Lyons and Co. loan stocks for 7¾ per cent unsecured loan stock 1993-98 of Allied Breweries were passed.



BIDS AND DEALS

Kitchen Queen ready to buy

Only five months after coming to the Stock Market Kitchen Queen is planning its first acquisition. The shares of Knott Mill Holdings and Kitchen Queen were both suspended yesterday with a statement that talks were taking place which may lead to an offer.

Kitchen Queen's price was suspended at 43p, a 15p premium on the original offer for sale price. Dealings in Knott Mill were halted at 27p.

Kitchen Queen is involved both in retailing, where it offers a wide variety of kitchen, bedroom and living room furniture, and manufacturing, where it operates under the Di Lusso brand name.

The company turned in pre-tax profits of £1.5m on sales of £15.1m for the year to August 31, 1978. Its first interim profits as a publicly quoted group are expected at the end of May.

Knott Mill, on the other hand, is capitalised at only £345,000 and suffered losses of £182,000 for the year to February, 1978.

Since then the sale of three units has produced a net profit of £150,000 and despite a further pre-tax deficit in the first half of the current year, the company is apparently making progress towards recovery.

APG BUYS TWO HOUSE-BUILDERS

Allied Plant Group has acquired the entire issued capitals of Stan Spruit and Westcott Development, two privately-owned house-building and property companies.

The consideration is £1,475,000 cash, of which £950,000 has been paid. The £575,000 balance will be payable on December 21, 1979. An additional £50,000 will be paid if planning permission is granted for an enlarged shopping complex in the Fleet district of Hull.

Under the deal, APG will acquire net assets worth some £1.7m, after revaluation, including about £1.3m cash balances.

The combined pre-tax profits of the Spruit companies are expected to be in the region of £425,000 for the year ending April 30, 1979, against £404,000 previously.

HARRIS GRAHAM U.S. MERGER

Harris Graham, the private consultancy group which analyses pension fund performance and advises companies on employee benefits and compensation, is to merge with one of the leading consultants in the same field in the U.S.

Harris Graham will, as a result become the UK and international arm of the Wyatt Company which has 25 offices throughout the U.S. and Canada and over 6,000 clients. Harris Graham has offices in Hong Kong, New York, Kuala Lumpur and Lucerne.

Terms of the merger have not yet been agreed but a spokesman for Harris admitted that part of the reason was the extra finance which the deal would make available for expansion.

Employee benefits, including pensions and social security rights, have become a growth industry with the multi-national firms, in particular, in need of detailed local advice on these matters.

Farm Feeds accepts offer from consortium

Farm Feed Holdings has received a £1.67m offer from a consortium, which includes the group's managing director, Mr. D. Faulkner.

The offer is being made through a private company, by a scheme of arrangement, and proposes to acquire f or 95p per share in cash 1.14m ordinary shares, representing about 65 per cent of the equity, which the consortium does not already own.

J. Bibby, the livestock and vegetable oil group, with interests in animal feeds, agricultural seeds and paper, is accepting the offer in respect of its holding of 32.7 per cent.

The consortium comprises Mr. and Mrs. D. Faulkner, Messrs G. Reed, K. Boardall, K. George, J. B. Aldersley, G. E. Romy and T. Murray and MacGay Limited.

Members of the consortium own 613,393 ordinary shares—34.9 per cent—of Farm Feed, a group which is engaged in the production of supplements for animal nutrition, micronizing, engineering and livestock.

An offer is also to be made to acquire all the 125,000 11 per cent £1 redeemable convertible preferred ordinary shares at 131.95p each which, taking account of the conversion terms, is comparable with the offer for the ordinary shares.

County Bank owns all the preferred ordinary shares and has indicated that it intends to accept.

The offers will be subject to the approval of shareholders and by the Court, and will be conditional on certain tax clearances being obtained by the consortium (which have been applied for), and on appropriate permissions being given by the Bank of England under the Exchange Control Act.

Independent members of the Farm Feed Board are recommending the offer, as are their advisers County Bank. They said yesterday: "In considering their recommendation the independent board and County Bank have been mindful of the lack of marketability of the ordinary shares in Farm Feed in recent years and its cyclical profit record."

The independent members of the Board excluded Mr. Faulkner and Mr. C. K. W. Schellenberg, who by an exchange of letters has committed his beneficial holding of 192,510 ordinary shares (11 per cent) in Farm Feed to the consortium.

BEAUMONT PROPS.

Beaumont Properties has acquired four shop properties in the London and Leicester areas in a series of deals worth almost £312,000.

Beaumont acquired the shops through the purchase of the capital of four private property investment companies. The purchase was satisfied through the issue of Beaumont shares. The group said that the aggregate net asset value of the four companies was £311,846.

DEBENTURE CORP.

The net asset value of *Debenture Corporation* has been estimated at 98p by Laing and Cruickshank, brokers to the British Airways Pension Fund. BAPF has bid £40m for the investment trust.

The NAV is to the nearest ½p and after the deduction of 5p in respect of contingent taxation on capital gains and termination costs.

HEYWOOD WILLIAMS

For a nominal consideration, Heywood Williams Group has purchased the business of nine family restaurants together with a central warehouse facility all situated in South Illinois, U.S.

The restaurants trade under the name of Mr. Drumstick and specialise in chicken meals for both on the premises and take-away consumption.

Commenting on the acquisition, Mr. Douglas Oliphant, executive chairman, says this is a logical addition to the existing restaurant and hotel interests centred in Chicago and will contribute to profits in the year commencing May 1, 1979. The low consideration is because the premises are being rented from the vendors and most of the equipment is on lease.

ASSOCIATE DEALS

Cazenove and Co. purchased on April 18 25,000 Wilmot-Breeden (Holdings) at 115p on behalf of Rockwell International Corporation.

Shell capital spending topped £2.3bn last year

LAST YEAR was more favourable for the Shell Group than the bare financial results indicate, says Mr. Michael Pocock, chairman, in his annual report.

Demand for oil was 3 per cent up, only slightly behind the rate of economic expansion in most industrialised countries, and there was an improvement in the terms of oil trading.

In the latter half of 1978, crude oil supplies tightened, a situation made worse by the disruption of supplies from Iran in the fourth quarter.

"The consequences are potentially serious," warns Mr. Pocock. "Consuming countries are already taking first steps to scale down demand. Such measures, together with a substantial restoration of Iranian production or increased supplies from alternative sources, will be needed to avoid stringency next winter."

Group capital expenditure for 1978, at £2.36bn was the highest ever. In addition £338m was spent on exploration and £178m on research.

The petrochemicals industry was depressed by excess capacity and consequent low prices and also by higher costs. Nevertheless, selective investment is *proceeding in important new projects*... "because we look to longer-term prospects of profitable business," said Mr. Pocock.

Shell metals and coal interests continued to be developed during 1978. By the mid-1980s Shell companies aim to have a significant position in the international coal trade.

Net income for the Royal Dutch/Shell Group in 1978 was £1.09bn compared with £1.38bn in 1977. Return on average net assets was 14.1 per cent against 19.7 per cent a year earlier.

On a CPP basis, net income is reduced to £480m, net assets, shown at £7.97bn historical are increased to £14.6bn while there is a decrease in net assets of £67m against a £549m increase historically.

Emoluments of the chairman are shown at £109,634 (£103,090) while the highest paid director received £216,779 against £201,220 in 1977.

Meeting, Shell Centre, SE, May 17, 11.30 am.

● **comment**

The first-quarter results for the Royal Dutch/Shell Group will contrast dramatically with the freak outturn for the same period of 1978, when because of a huge currency translation loss of some £300m under the FAS 8 accounting system the group reported net income of nil. This year the FAS 8 problem will not be repeated, while the group will generate notional stock profits because of its first in, first out accounting method at a time of rising oil prices. So the first quarter could yield £500m or more, and get the year off to an apparently brilliant start. But while some analysts are estimating record net income for 1979 of £1,500m or more (and the shares have risen some 30 per cent in 1979 so far) it is important to note that the quality of these earnings will be reduced by the element of stock profits. Meanwhile the dividend backlog now amounts to a massive £296.9m net, or around 54p a share.

Hunting Petroleum misses profit forecast by £320,000

BELOW forecast pre-tax profits of £2.08m are reported by Hunting Petroleum Services for 1978. At the interim stage, when announcing profits of £0.99m, the directors warned that profits would fall below the £2.4m forecast in the offer for sale.

Mr. Clive Hunting, chairman, explains that the shortfall on projection was due to the decline of the U.S. and Canadian dollars against sterling and also to the unexpected absence of the normal seasonal upturn in North Sea activity.

On current year prospects he states that assuming sterling does not continue to appreciate against other leading currencies, he expects results to show a modest improvement over those now reported with more significant growth taking place thereafter.

Basic earnings per 25p share for the year under review are stated at 13.02p and fully diluted at 11.39p. The final dividend is 3.25p net for a 4.65p total at a cost of £445,000.

The company was incorporated on June 1, 1978 and on June 8 acquired various subsidiaries.

The consolidated accounts have been prepared on the merger basis of accounting and accordingly the profit and loss account includes the results of subsidiaries for the whole of 1978.

● **comment**

Hunting Petroleum has not only missed last July's prospectus forecast but has also fallen short of the revised forecast made when the interim figures were released in October. Crude oil marketing, storage and distribution in Canada is the biggest revenue earner and the disappointing result is to some extent due to the 18 per cent drop of the Canadian dollar against sterling over the period. But, conversion factors aside, the Canadian performance was not particularly good. Two small price increases and some volume growth were not enough to prevent a drop in margins from 9.7 per cent in 1977 to 7.2 per cent in 1978. Restrictions on use of trucks on roads in spring and autumn accounted for some of the margin downturn. In 1979 prospects depend on the relative currency movements but, at this early stage, it appears that the company will have to run fast to make its original 1978 forecast of £2.4m in 1979. The shares are tightly held and yesterday's 8p fall of 120p leaves the yield at 5.9 per cent and the fully diluted p/e at 10.3.

Photo-Me higher at mid-term

REFLECTING CONTINUING increased demand for its photographs, Photo-Me International lifted pre-tax profits from £1.3m to £1.42m for the six months to October 31, 1978. Sales of the group, which makes, operates and sells automatic coin-operated photographic vending machines, rose by £2.72m to £11.97m.

Although confident of the full year outcome, the directors warn that the second half will be affected by the severe European weather conditions and also by the rising value of the pound, which will depress overseas earnings when converted to sterling.

The net interim dividend is raised from 1.98p to 2.211p from stated earnings of 22.9p (20.52p) per 50p share—last year's final was 4.05p on record £2.23m pre-tax profits.

Half-yearly attributable profits advanced by £50,000 to £481,000, after a tax charge of £719,000 (£619,000) and minorities, £223,000 (£248,000). Depreciation took £816,000 (£495,000).

MINING NEWS

RTZ earnings back on the rising path

BY KENNETH MARSTON, MINING EDITOR

"LUCKY" Rio Tinto-Zinc has done it again. The UK-based international mining and industrial group has beaten its own half-time forecast of lower 1978 profits following the first-half decline and has also exceeded share market expectations of total earnings and dividend.

Thanks to the recovery in metal prices—notably lead and zinc—which occurred in the second half, the group's net profits for 1978 come out at £98.4m before an extraordinary charge of £9.8m to cover the fall in the sterling value of prior years' earnings retained in the overseas subsidiaries.

The comparative charge for 1977 was £40.4m after a profit for that year of £82.3m. Earnings per share for 1978 equal 39.04p compared with 32.68p for 1977. The 1978 final dividend is being raised to 8p net, making a total for the year of 11.5p against 9.5p for 1977—because of its large proportion of overseas income, RTZ is not subject to UK dividend limitation.

Group sales revenue ...	1,953.9	1,823.3
Group operating profit	276.8	255.3
Associates	29.4	27.8
Divs. & int. receivable	28.1	39.7
Making	334.3	322.8
Interest payable	50.3	51.3
Profit before tax	284.0	271.5
Tax	115.8	130.1
Profit after tax	168.2	141.4
Outside shareholders .	69.8	59.1
Attrib. to RTZ before extraord. items	[illegible]	82.3
Earnings per share ...	39.04p	32.68p
Extraord. items	(9.8)	(40.4)
Profit after ext. items	88.6	41.9
Dividends paid and Proposed—		
Preference	0.4	0.4
Interim of 3.5p	8.4	8.4
Final of 8.0p.	19.4	14.5
Total divs.	28.2	23.3
Retained	60.4	18.6

A lower tax charge this year reflects a reduction in that of the Australian Hamersley iron operation as a result of investment allowances on the latter's concentrator plant.

Higher profits were achieved last year at RTZ Borax, the Bougainville copper-gold operation in Papua New Guinea, Comalco (before exchange losses), Mary Kathleen Uranium, RTZ Industries (mainly in North America) and Palabora Copper. There was also a first contribution of about £2m from Rossing Uranium.

On the other hand, Hamersley's profits dropped sharply while those of Anglesea Aluminium followed the lower metal price. The Canadian Rio Algom earned more but its Canadian dollar profits showed a small decrease after translation into sterling.

Higher prices for virtually all metals point to a strong advance in RTZ's total earnings this year. Underlining this prospect is the first quarterly report from the Hamersley problem child which shows earnings of A$10.4m (£5.53m) compared with only A$1.7m in the particularly depressed first quarter of 1978.

And at yesterday's Melbourne meeting of Comalco the chairman, Sir Ronald Hibberd, forecast a "better result" this year for the aluminium complex, adding that world supplies of aluminium will probably continue to be tight for the next three or four years.

Meanwhile, Conzinc Riotinto of Australia announces that because of postal delays the closing date for its A$62m rights issue has been extended from April 24 to April 30.

In London yesterday, shares of RTZ rose to 320p immediately following the latest results but reacted on profit-taking to close 4p up on the day at 314p.

See Lex

Amax has record quarter

UNDERLINING the returned prosperity of the natural resource producers, America's Amax announces record first quarter net earnings of $76.1m (£36.6m), equal to $2.08 per share. They follow earnings of $60.8m in the final quarter of 1978 and that year's total of $160m.

The latest increase in profits came notably from the operations in molybdenum, copper, lead and zinc. Coal provided a profit compared with a loss in the strike-hit quarter of a year ago while oil and gas earnings rose in line with higher sales. Thanks to increased shipments and lower operating costs, the company's nickel operations approached break-even levels.

Total sales for the first quarter amounted to $641m compared with $338m a year ago and reflected higher deliveries of coal, copper, nickel and molybdenum.

Mr. Pierre Gousseland, the chairman, says: "I am optimistic that Amax will maintain excellent earnings throughout 1979, since the prices of many metals and minerals are recovering from the unduly depressed levels of previous years."

● comment

Providing that there is no severe downturn in the U.S. economy, Amax is clearly heading for an outstanding year, especially as it has the important asset of modern equipment; last year it was pointed out that some 75 per cent of the company's property, plant and equipment was less than five years old. After its earlier conservative dividend policy Amax has adopted a more liberal approach and the quarterly rate has been successively stepped up from 43¾ cents in 1978 to the current 67.5 cents which was declared earlier this month prior to the three-for-two share split. A stake of 8.3 per cent in Amax is held by London's Selection Trust, a factor which helps to explain the above average sharemarket rating of the latter's shares.

Haulage strike costs Assoc. Biscuit £1m

The road haulage strike cost Associated Biscuit Manufacturers more than £1m in lost profits, says Gordon W. N. Palmer, the group's chairman, in his annual statement.

But he adds that there is no reason why the company should not perform satisfactorily in the current year.

Mr. Palmer says the UK operations were badly hit by the strike and to a lesser extent by the bad weather. The Huyton factory was closed for three weeks and other operations suffered severe production cutbacks.

On top of this, exports were virtually nil for some six weeks.

Apart from the effect on operating costs, this led to cancellation and changes in marketing programmes, says Mr. Palmer.

He adds that rising costs in the UK may lead to further price rises, but efficiency in their factories and other operations is improving quite markedly.

On the £16.4m takeover of Smiths crisps and snacks business from General Foods of the U.S. he says they are looking for a useful contribution from operation which was consolidated from January 1, 1979.

Good results are expected from the European companies.

Mr. Palmer points out that although the UK biscuit interests are still of paramount importance the group, through recent acquisitions, is becoming steadily less dependent on them. It is more deeply involved in North America and Europe, and the broadening of the geographical and products bases gives the group a better balance, adds Mr. Palmer.

In his report Dr. Keith Bright, group chief executive, says the current year will mainly be one of consolidation.

On a current cost basis the group's profits are reduced from £9m to £5.65m.

At February 20 this year Rowntree Mackintosh held 20.01 per cent of the ordinary share capital.

Meeting, Great Western Royal Hotel, W, May 15 at 12.30 pm.

Leadenhall Sterling increases

RECORD TAXABLE profits of £836,000 in 1978, against £644,000 previously, are reported by Leadenhall Sterling. Turnover rose from £6.56m to £8.46m.

At halfway profits were up from £293,000 to £404,000 and the directors expected a modest improvement in the second half.

Trading for the current year has begun satisfactorily, the directors say.

The tax charge for the year of £344,000 (£269,000) is reduced by some £89,000 (£80,000) by tax losses brought forward. There is an extraordinary debit this time of £22,000.

Earnings per 25p share are shown to have risen from 18.4p to 24.2p. The net final dividend is lifted from 2.4256p to 3.6925p, with Treasury consent, making 5.65575p (4.12235p). A 12-for-10 scrip issue is also proposed.

The directors explain that the depreciation charge includes £22,000 this time in respect of freehold and long leasehold property to comply with SSAP 12.

The main activities of the group, which is a subsidiary of British and Commonwealth Shipping Company, include manufacture of forklift and other industrial trucks, and advanced medical equipment.

S. African mine pay settlement

IN MARKED contrast to the heated negotiations of recent years, the South African Chamber of Mines has reached peaceful agreement with its 22,000 white miners on a 10 per cent pay rise, reports Quentin Peel from Johannesburg.

The deal falls only slightly short of the 12 per cent sought by the Council of Mining Unions, and is a considerable improvement on the 7 per cent awarded last year, and 5½ per cent in 1977.

It is a significant pointer to the subsequent negotiations to be held with the mine officials, and the award for black mineworkers which is due in June. In recent years the Chamber's 400,000 black employees in gold and coal mines have been granted consistently higher pay rises than the white miners.

The rapid conclusion of the latest agreement augurs well for a relatively trouble free labour year in South Africa's mines, following the collapse of the illegal strike by the militant Mineworkers' Union last month. However, the MWU is still involved in a dispute with the Chamber over the loss of its members' benefits because of that action.

Meanwhile, black miners at De Beers' diamond mines in Namibia (South West Africa) have been on strike for two days, a company spokesman revealed yesterday, but a majority have now returned to work.

Mr. J. O. Richards, the general manager of the mine, said diamond production had come to a half because of the stoppage by some 5,200 workers, apparently caused by the discovery of a container of chemicals in a bag of maize flour.

The stoppage follows a strike in January by some 2,000 black workers at the other major foreign mining operation in Namibia, Rio Tinto-Zinc's Rossing uranium mine. Both mines are known to be strongholds of the South West Africa People's Organisation (SWAPO) which is fighting a guerrilla war in the territory.

Mr. Richards said, however, that only "domestic grievances" were involved in the diamond mine's dispute. More than 3,000 men had return to work by yesterday morning, and talks were continuing.

Electronics plant promises 150 jobs

WORK ON a new factory which will provide 150 jobs began in Lincoln yesterday. It is an attempt to cash in on the micro-electronics boom.

The 60,000 square feet factory, due for completion in January, is being built on land off Doddington Road by the GEC-owned AEI Semi Conductors, which already has a 1,700-job plant in Lincoln. The company makes electronic components for military and telecommunications use.

Big pit plan at Stoke-on-Trent

TESTS are to be carried out by National Coal Board officials to determine the quality, thickness and depth of seams at Hem Heath Colliery, Stoke-on-Trent, as part of a plan to turn the colliery into one of the biggest in the country.

More than £20m is to be spent on linking the pit with the Florence Colliery, Longton. The complex would employ over 2,000 men.

Maple to pay 0.75p

THE STRONG recovery of Maple and Co. (Holdings), retail store proprietor, continued in the 53 weeks to February 3, 1979, and reporting pre-tax profits well ahead at £1.03m, against £120,000 for the previous year, the directors also announce a dividend of 0.75p net, the first for five years.

At the interim stage a turnround from a loss of £527,000 to a profit of £309,000 was recorded.

Turnover for the year amounted to £23.68m (£19.96m) and trading profit to £1.45m (£1.18m) — retail operations contributed £23.39m (£19.49m) and £1.41m (£1.08m) respectively. Interest payable was lower at £0.42m (£1.06m).

Tax took £261,000 (£93,000) and there was an extraordinary credit of £94,000 (£6,000 debit). The dividend payment cost £209,000.

Results for 1977-78 have been adjusted to reflect the adoption of SSAP 12.

ICFC BACKS FKI

Industrial and Commercial Finance Corporation has invested £600,000 as a minority holding in FKI (formerly known as Fisher-Karpak Holdings) of Sowerby Bridge, near Halifax.

FKI is a manufacturer of battery chargers, low voltage fluorescent lighting, photo-electric controls for street lighting and parking meters. In addition it operates a national organisation which services parking meters and other equipment.

Midland Bank moves into Spain

Midland Bank is getting a toe-hold in Spanish banking through a new joint venture in a finance house business with Banco Hispano Americano, one of the leading Spanish banks.

The deal, under which Midland will invest around £1m, gives the UK bank an initial stake of 15 per cent in a recently formed consumer finance concern called Finamer. Midland is awaiting official consent to increase the stake by a further 15 per cent.

Midland is still awaiting a banking licence from the Spanish banking authorities, though Barclays and National Westminster have already had their applications approved.

Mr. Tom O'Malley, chief executive of Forward Trust, Midland's UK finance house subsidiary, will be one of the directors of Finamer.

B. Wardle profit hit in first quarter

Overall group profitability at Bernard Wardle and Co. had been hit by industrial unrest and low car production in the UK in the first quarter, said Mr. D. A. Boothman, the chairman, at the AGM.

The present level of economic activity and uncertainties generated by exceptional rises in petrochemical raw material prices, made it difficult to foresee opportunities to recover the lost ground, he warned.

Nevertheless, Mr. Boothman said the level of business in the second quarter was encouraging.

Six months advance by S. Casket

WITH SALES higher at £8.64m against £7.79m, S. Casket (Holdings), the clothing group, expanded pre-tax surplus from £456,320 to £615,208 for the half-year to December 31, 1978. However, the directors warn that a similar percentage increase in profit is not expected in the second six months.

Owing to the transport strike, sales declined in January and February, but the company is now almost back on target and the directors are still looking for a good full year result.

For the previous full year, taxable profits were a record £1.17m.

To reduce disparity, the net interim dividend is effectively lifted from 0.4p to 0.5p per 10p share and it is hoped to increase the total by not less than the permitted 10 per cent—1977-78 payments totalled an equivalent 1.075p.

Tubes set to expand

SIR BRIAN KELLETT, chairman of Tube Investments is confident there is ample scope for development from the group's strong position in the UK specialist tube market and from technical strength in specialised products.

In domestic appliances, the group now has a firmly established and strong position in cooking, heating, some home laundry products and electrical shelf goods.

While the chairman is pleased with the home-based businesses, he says overseas markets have proved more difficult and TI is withdrawing from its Australian domestic appliance business, after suffering heavy losses.

However, the chairman believes the home business is now strong enough to expand and will justify efforts to establish products in some other overseas markets, notably Europe.

Total production by the group of bicycles probably exceeds that of any other maker outside Russia and China, the chairman says. Over three-quarters of the output is sold abroad in over 100 countries.

In addition to these major business areas, the chairman also refers to the growing partnership business with General Electric of the U.S. in industrial electrical equipment and the businesses in machine tools, mechanical seals and garage equipment for vehicle servicing.

In 1978, the group reported pre-tax profits of £80m against £66.9m on external sales of £1.1bn (£994m).

Group net assets employed at £547.2m increased by 6.4 per cent during the year and the return on assets improved to 16 per cent compared with 14.6 per cent in 1977.

Meeting, Birmingham, May 14 at noon.

RESULTS AND ACCOUNTS IN BRIEF

HIGH GOSFORTH PARK COMPANY (racecourse proprietor and estate owner). Net dividend 12p (10.9175p) for 1978. Turnover £458,082 (£463,894), profit £28,456 (£23,728) before tax £14,867 (£6,178). Earnings per £1 share 14.9p (19.3p). Chairman says poor weather has again taken a very big hand in racing and golf activities so far in 1979. Nevertheless, Board is reasonably confident that, with company's mixture of estate enterprises, income from buildings and from land, that profits will be maintained.

ALVA INVESTMENT TRUST—Net income, year to February 28, 1979, £122,986 (£106,656) after tax of £88,785 (£55,197). Earnings per share 7.68p (6.65p). Final dividend 4.1875p making 7.37p (6.105p).

ENDEAVOUR FUND—Interim distribution on income units for year ending October 10, 1979, will be 1.819p net per unit (0.461p), payable May 25.

NATIONAL ELECTRIC CONSTRUCTION COMPANY (controlled by British Electric Traction Company)—1978: Income, after expenses, £[illegible] (£455,510), before tax £140,532 (£131,338). Retained profit £23,712 (£76,099). Earnings per 50p share 27.14p (28.38p), net dividend total 25p (21.5p) with 20p final. Net asset value 573p (555p) per share.

LONDON AND STRATHCLYDE TRUST—For half-year to end-February, 1979, gross revenue £336,539 (£335,627). Net revenue £134,189 (£125,362). Tax £81,388 (£77,534). Net interim dividend 0.6p (0.475p) already announced. Earnings per 25p share 0.93p (0.87p). Total assets, less current liabilities, at market value including dollar premium where applicable £11.47m (£11.57m at August 31, 1978). Net asset value after prior charges at par 61.7p (62.1p). No provision made for contingent liability £177,613 (£192,398) on net capital gains, if all investments held at year-end had been sold.

BODDINGTON'S BREWERIES—Figures for 1978 already known. Fixed assets £27.03m (£11.73m). Net current liabilities £0.61m (£0.47m assets). Professional property valuation in December, 1978, resulted in surplus of £12.85m which has been transferred to capital reserve. Decrease in liquid funds £0.6m (£0.89m). Meeting, Manchester, May 10, 11.45 am.

SCHRODERS (banking, finance, insurance)—Results for 1978 reported March 29. Deposit and other accounts including inner reserves and tax provision £1.23bn (£0.93bn). Loans, advances and other accounts £573.47m (£505.99m), other loans to state and local authorities and banks £298.32m (£194.34m). Total assets £1.54bn (£1.18bn). Meeting, 120, Cheapside, EC, May 9, at 12.15 pm.

SAVOY HOTEL—Results for 1978 reported April 4. Group fixed assets £22.48m (£21.24m), net current assets £1.45m (£1.54m). Net borrowings increased by £1.45m (£48,900 decrease). At March 31, Grand Metropolitan held 23.26 per cent of issued capital and British and Commonwealth Shipping Company, 8.06 per cent. Meeting, Savoy Hotel, WC, May 10, noon.

METAL CLOSURES (metal and plastics packaging)—Results for 1978, with prospects, reported March 21. Group fixed assets £13.85m (£13.34m), net current assets £14.66m (£12.7m). Working capital decreased £1.22m (£2.37m). Liquid funds increased £1.1m (£0.34m). Meeting, Inn On The Park, Park Lane, W, May 16 at noon.

GENERAL SCOTTISH TRUST—Final 2.5p, making 4p (3.35p) for year to March 31, 1979. Net revenue available for ordinary £422,673 (£322,729) after tax £276,678 (£227,270). Earnings per share 4.37p (3.41p). Net asset value per share 130.3p (108.7p) assuming full conversion of convertible stock.

HAWKER MARRIS (tableware manufacturer)—Turnover for 1978 £3,691,984 (£3,839,506), profit £152,255 (£184,268) after tax £35,595 (£75,974). Earnings per 25p share 30.7p (37.1p), net final dividend 5.17p making 7.14p (6.46p)—maximum permitted. Board state that at end of year the home Christmas trade did not come up to the anticipated level and this led to a higher stock level than planned and therefore to higher bank borrowing. Positive steps have been taken to bring working capital into line with current trading.

APPOINTMENTS

Dunlop European marketing post

Mr. P. G. Wand has been appointed director of marketing co-ordination for European tyre operations of DUNLOP in succession to Mr. R. A. Smith, who has retired. Mr. Wand joined Dunlop in 1953 as an overseas trainee and became manager of the selling company in Pakistan. He later returned to the tyre division's headquarters as export operating manager, based in Birmingham. Since 1966, Mr. Wand has held various positions in the European sales division, becoming general manager of that division in 1975 and European co-ordinator, Tyres Europe, in 1978.

Mr. P. G. Wand

★

Mr. Jeffrey S. Yates has been appointed a director of IAN YATES.

★

Mr. Robert C. Smith, who joined the board of SIDLAW INDUSTRIES at the beginning of 1977, has been appointed deputy chairman. He is chairman of Scottish United Investors and a director of Standard Life Assurance and of William Collins and Sons (Holdings).

★

Mr. C. K. Wallace, managing director of John Davis and Son (Derby) and Mr. E. M. Briscoe, managing director of Doulton Industrial Products and Doulton Insulators, have been appointed directors of the DOULTON ENGINEERING GROUP.

★

Mr. W. R. M. Irvine has been appointed to the Board of the NATIONAL BANK OF AUSTRALASIA. Mr. Irvine, a partner in the Australian legal firm of Hedderwick Fookes and Alston, is at present chairman of Philip Morris (Australia) and also a director of other Australian public companies, including McPherson's Monsanto Australia and the Victory Reinsurance Company of Australia.

★

Mr. Hector Watts has been appointed managing director of LONDON AND SCOTTISH MARINE OIL COMPANY and of its subsidiary, Scottish Canadian Oil and Transportation Company.

★

Mr. Jim Burnham has been appointed director of marketing and operations of FREIGHTLINER. He joined the company in 1968 and has been director of marketing since 1976.

★

Mr. John M. Gillham and Mr. Brian Pettifer have been appointed to the Board of BOVIS CONSTRUCTION. Mr. Gillham takes charge of the sales and marketing division, of which he has been a senior executive since 1973. Mr. Pettifer will now head his own operations division having previously been regional director of the company's M & S division.

★

Mr. A. Dawe has been appointed secretary of the HOGG ROBINSON GROUP following the retirement of Mr. A. V. Harding.

★

Mr. H. R. M. Hodding has been appointed chairman of SOUTH CROFTY.

★

Mr. W. F. J. Gardiner has been appointed managing director of OFFICE AND ELECTRONIC MACHINES.

Changes at ICI petrochemicals

Mr. Eric G. Brisley, commercial director of the petrochemicals division of IMPERIAL CHEMICAL INDUSTRIES, has been seconded to ICI (China) and appointed chairman and managing director. Mr. R. S. Houston, marketing manager, hydrocarbons and fibres intermediates of ICI petrochemicals division, has become a division director.

★

Mr. W. A. Penlington has been appointed secretary of the GUARDIAN ROYAL EXCHANGE ASSURANCE from July 1 to succeed Mr. R. M. Eggleston, who is retiring.

★

Mr. Joseph H. Gammal has been appointed vice-president of European operations for SAUDER INDUSTRIES INCORPORATED, and managing director of SAUDER UK. He will be based in London. For the past nine years, Mr. Gammal has been chairman of and managing director of Morgan Thermic SA in France.

★

Mr. Basil Sheldon has been appointed president of the LEEDS AND HOLBECK BUILDING SOCIETY for 1979-80 and Mr. Horace Shackleton becomes vice-president.

★

Mr. Robert R. Harris has become senior partner of SELIGMANN RAYNER AND CO., stockbrokers, on the retirement of Mr. Jack Dorling, who will remain an associate member consultant with the firm.

★

Sir Ralph Freeman is retiring from FREEMAN FOX AND PARTNERS on April 30 and is suceeded as senior partner by Mr. J. T. Edwards. Sir Ralph will become a consultant to the firm.

FOOD PRICE MOVEMENTS

	April 19 £	Week ago £	Month ago £
BACON			
Danish A.1 per ton ...	1,090	1,090	1,090
British A.1. per ton ...	1,035	1,035	1,035
Ulster A.1 per ton§ ...	1,035	1,035	1,035
BUTTER			
NZ per 20 kg	14.11/14.24	14.11/14.24	—
English per cwt†	81.65/82.96	81.65	81.65
Danish salted per cwt†	85.10/87.69	85.10/86.35	83.10/85.85
CHEESE‡			
NZ per tonne	—	—	—
English cheddar trade per tonne	—	1,455	—
EGGS*			
Home produced:			
Size 4	—	3.00/3.30	3.40/3.60
Size 2	—	3.30/3.60	3.70/4.10
	April 19 p	Week ago p	Month ago p
BEEF			
Scottish killed sides ex-KKCF	55.0/59.0	54.0/55.0	54.0/58.0
Eire forequarters	36.0/40.0	34.0/38.0	36.0/40.0
LAMB			
English	—	90.0/98.0	56.0/65.0
NZ PLs/PMs	48.0/50.0	48.0/50.5	47.5/49.0
PORK			
All weights	34.0/45.0	33.0/45.0	35.0/45.0
POULTRY			
Oven-ready chickens...	38.5/41.0	39.0/41.0	37.5/39.0

* London Egg Exchange price per 120 eggs. † Delivered. ‡ Unavailable. § For delivery April 21-28.

Group Gold Mining Companies

(All companies are incorporated in the Republic of South Africa)

Orange Free State

Reports of the directors for the quarter ended 31st March, 1979

FREE STATE GEDULD

Free State Geduld Mines Limited

ISSUED CAPITAL: 10 440 000 shares of 50 cents each

	Quarter ended Mar. 1979	Quarter ended Dec. 1978	6 months ended Mar. 1979
OPERATING RESULTS			
GOLD			
Area mined—centares (square metres) 000's	137	158	292
Tons milled 000's	784	773	1 557
Yield—g/t	12.02	12.25	12.13
Production—kg	9 420	9 461	18 881
Cost—R/ca mined	193.47	152.19	166.87
—R/ton milled	32.06	30.51	31.28
—R/kg produced	2 668	2 493	2 581
Joint Metallurgical Scheme (See summary)			
Slimes delivered			
Tons 000's	660	573	1 233
Yield			
gold—g/t	0.47	0.40	0.44
uranium—kg/t	0.10	0.09	0.09
sulphur—per cent	1.04	0.96	1.00
PRICE RECEIVED ON SALES			
Gold—R/kg	6 522	6 118	6 321
—$/oz	235	219	226
FINANCIAL RESULTS	R000	R000	R000
Gold—Revenue	61 832	58 352	120 184
—Costs	25 136	23 589	48 725
—Profit	36 696	34 763	71 459
Joint Metallurgical Scheme profit (loss)	351	(186)	165
Net sundry income	1 059	1 475	2 534
Profit before taxation and State's share of profit	38 106	36 052	74 158
Provision for taxation and State's share of profit	16 794	14 560	31 354
Profit after taxation and State's share of profit	21 312	21 492	42 804
Deduct:			
Appropriation and transfer:			
Capital expenditure (after taking account of consumer loans)			21 984
Loan levies—net			802
Dividend—interim			19 314
			734
Retained profit for the six months			
Capital expenditure:			
—mine	10 868	10 206	21 174
—Joint Metallurgical Scheme	207	159	366
Loan levies—estimated	473	1 330	1 803
SHAFT SINKING			
No. 5 main shaft	metres	metres	metres
Advance	119.4	229.5	348.9
Depth to date	1 187.2	1 057.8	1 187.2
Station cutting	1 065.8	542.4	1 608.2
No. 5 ventilation shaft			
Advance	285.7	239.8	525.5
Depth to date	1 367.4	1 071.7	1 367.4
Station cutting	268.4	354.9	623.3

DEVELOPMENT

	Advance metres	Sampled metres	channel width cm	gold g/t	gold cm.g/t	uranium kg/t	uranium cm.kg/t
Shaft area							
Basal reef							
No. 1	2 028	72	30.9	44.06	1 361	0.33	10.27
No. 2	3 010	234	13.1	79.16	1 037	0.65	8.68
No. 3	3 018	386	30.8	22.59	688	0.34	10.32
No. 4	1 777	314	48.0	158.35	7 601	0.50	24.02
No. 7	1 137	60	30.1	29.65	896	0.77	18.42
No. 9	1 868	8	58.3	11.78	685	0.33	19.21
Phillpot No. 414 tribute area	297	64	41.9	15.94	668	0.32	13.53
Quarter ended March 1979	12 663	1 106	32.1	86.67	2 780	0.45	14.31
Quarter ended December 1978	13 435	1 240	32.1	69.35	2 226	0.42	13.58
Six months ended March 1979	26 098	2 346	32.1	77.04	2 473	0.43	13.92
Leader reef							
No. 1	102	52	21.3	33.62	716	1.62	34.47
No. 4	177	—					
Quarter ended March 1979	279	52	21.3	33.62	716	1.62	34.47
Quarter ended December 1978	144	52	130.0	4.84	629	0.30	39.29
Six months ended March 1979	423	84	88.6	7.47	662	0.42	37.46
Kimberley reef							
No. 7	623	96	159.1	5.44	866	0.03	5.14
No. 9	[illegible]	100	144.6	7.39	1 069	0.02	3.17
Quarter ended March 1979	985	196	151.7	6.39	970	0.03	4.13
Quarter ended December 1978	744	230	157.8	3.20	505	0.03	5.33
Six months ended March 1979	1 899	426	155.0	4.64	719	0.03	4.78
Shaft area							
Elsburg reef							
No. 7							
Quarter ended March 1979	66	66	185.6	1.21	224	0.02	3.15
Quarter ended December 1978	33	34	241.2	0.59	143	0.01	3.41
Six months ended March 1979	99	100	204.6	0.96	196	0.02	3.24

DIVIDEND

The interim dividend of 185 cents per share in respect of the year ending September 30 1979 was declared on April 19 1979 payable to members registered on May 4 1979 and will be paid on or about June 8 1979.

CAPITAL EXPENDITURE

The estimate of capital expenditure for the year ending September 30 1979 is R50 000 000 (previously R43 000 000). The increase is principally due to the acceleration of expenditure on certain major capital projects such as No. 5 shaft and No. 5 shaft main access development for No. 5 shaft and to the establishment of a new slimes dam for current residue under the Joint Metallurgical Scheme. Orders placed and outstanding on capital contracts as at March 31 1979 totalled R12 912 000 of which R13 000 was in respect of the metallurgical complex.

For and on behalf of the board
G. LANGTON, D. A. ETHEREDGE } Directors

April 20 1979

PRESIDENT STEYN

President Steyn Gold Mining Company Limited
and its wholly-owned subsidiary, Video Mining Company Limited

ISSUED CAPITAL: 14 566 400 shares of 50 cents each

	Quarter ended Mar. 1979	Quarter ended Dec. 1978	Six months ended Mar. 1979
OPERATING RESULTS			
GOLD			
Area mined—centares (square metres) 000's	170	162	332
Tons milled 000's	877	813	1 690
Yield—g/t	7.46	7.13	7.30
Production—kg	6 545	5 796	12 341
Cost—R/ca mined	145.79	147.30	146.52
—R/ton milled	28.26	29.35	28.78
—R/kg produced	3 787	4 117	3 942
Joint Metallurgical Scheme (See summary)			
Slimes delivered			
Tons 000's	1 697	1 637	3 334
Yield			
gold—g/t	0.51	0.48	0.50
uranium—kg/t	0.10	0.09	0.10
sulphur—per cent	0.91	0.91	0.91
PRICE RECEIVED ON SALES			
Gold—R/kg	6 548	6 039	6 305
—$/oz	239	216	228
FINANCIAL RESULTS	R000	R000	R000
Gold—Revenue	43 635	35 322	78 957
—Costs	24 784	23 862	48 646
—Profit	18 851	11 460	30 311
Joint Metallurgical Scheme profit (loss)	846	(436)	410
Net sundry income	1 362	1 273	2 635
Profit before taxation and State's share of profit	21 059	12 297	33 356
Provision for taxation and State's share of profit	9 783	5 257	15 040
Profit after taxation and State's share of profit	11 276	7 040	18 316
Deduct:			
Appropriation and transfer:			
Capital expenditure (after taking account of consumer loans)			7 341
Loan levies—net			527
Dividend—interim			9 458
Retained profit for the six months			990
Capital expenditure:			
—mine	3 587	2 584	6 171
—Joint Metallurgical Scheme	135	219	354
Loan levies—estimated	728	448	1 176
SHAFT SINKING			
No. 4. sub-vertical shaft system	metres	metres	metres
Advance	119.5	24.9	144.4
Depth to date	966.9	847.4	966.9
Station cutting	55.8	363.1	418.9

PRESIDENT STEYN—*Continued*

DEVELOPMENT

	Advance metres	Sampled metres	channel width cm	gold g/t	gold cm.g/t	uranium kg/t	uranium cm.kg/t
Shaft area							
Basal reef							
No. 1	1 431	202	19.0	76.59	1 461	0.84	15.90
No. 2	1 658	178	38.2	64.79	2 475	0.76	29.15
No. 4	2 974	568	47.0	45.79	2 151	0.25	11.70
Video lease area	1 255	224	35.0	39.23	1 373	0.12	4.34
Quarter ended March 1979 ..	7 318	1 172	38.5	50.21	1 933	0.36	13.67
Quarter ended December 1978	7 468	868	46.4	34.65	1 607	0.29	13.54
Six months ended March 1979 ..	14 786	2 040	41.9	42.82	1 794	0.32	13.61
Leader reef							
No. 1	420	234	189.4	4.28	682	0.25	39.85
No. 2	348	272	101.7	3.48	354	0.16	15.92
Video lease area	38	40	86.7	14.58	1 264	0.21	18.51
Quarter ended March 1979 ..	806	546	128.3	4.48	561	0.21	26.36
Quarter ended December 1978	689	526	133.6	5.40	721	0.29	38.64
Six months ended March 1979 ..	1 495	1 072	129.4	4.95	640	0.25	32.39
'A' reef							
No. 2							
Quarter ended March 1979 ..	211	190	135.5	6.38	865	0.20	26.45
Quarter ended December 1978	270	114	92.7	12.88	1 194	0.24	21.76
Six months ended March 1979 ..	481	304	119.4	8.27	988	0.21	24.70
Area under tribute to and developed by President Brand (not included above)							
Basal reef							
Quarter ended March 1979 ..	443	60	12.3	248.94	3 062	1.84	22.62
Quarter ended December 1978	489	52	13.0	266.15	3 460	2.00	25.90
Six months ended March 1979 ..	932	112	12.6	257.70	3 247	1.92	24.14

DIVIDEND

The interim dividend of 65 cents per share in respect of the year ending September 30 1979 was declared on April 19 1979 payable to members registered on May 4 1979 and will be paid on or about June 8 1979.

CAPITAL EXPENDITURE

Orders placed and outstanding on capital contracts as at March 31 1979 totalled R5 516 000 of which R720 000 was in respect of the metallurgical complex.

For and on behalf of the board
D. A. ETHEREDGE, G. LANGTON } Directors

April 20 1979

WELKOM

Welkom Gold Mining Company Limited

ISSUED CAPITAL: 12 250 000 shares of 50 cents each

	Quarter ended Mar. 1979	Quarter ended Dec. 1978	Six months ended Mar. 1979
OPERATING RESULTS			
GOLD			
Area mined—centares (square metres) 000's	113	124	237
Tons milled 000's	543	525	1 068
Yield—g/t	5.83	5.92	5.87
Production—kg	3 168	3 106	6 274
Cost—R/ca mined	127.58	111.45	119.14
—R/ton milled	26.35	26.32	26.44
—R/kg produced	4 551	4 448	4 500
Joint Metallurgical Scheme (See Summary)			
Slimes delivered			
Tons 000's	37	—	37
Yield			
gold—g/t	0.68	—	0.68
uranium—kg/t	0.21	—	0.21
sulphur—per cent	0.36	—	0.36
PRICE RECEIVED ON SALES			
Gold—R/kg	6 536	6 039	6 312
—$/oz	236	216	228
FINANCIAL RESULTS	R000	R000	R000
Gold—Revenue	21 077	18 762	39 839
—Costs	14 418	13 817	28 235
Joint Metallurgical Scheme	6 659	4 945	11 604
Joint Metallurgical Scheme (Profit)	25	—	25
Net sundry income	702	541	1 243
Profit before taxation and State's share of profit	7 386	5 486	12 872
Provision for taxation and State's share of profit	3 008	2 013	5 021
Profit after taxation and State's share of profit	4 378	3 473	7 851
Deduct:			
Appropriation:			
Capital expenditure (after taking account of consumer loans)			2 215
Dividend—interim			5 206
Retained profit for the six months			430
Capital expenditure:			
—mine	747	473	1 220
—Joint Metallurgical Scheme	349	348	697
Loan levies—estimated	[illegible]	[illegible]	382

DEVELOPMENT

	Advance metres	Sampled metres	channel width cm	gold g/t	gold cm.g/t	uranium kg/t	uranium cm.kg/t
Shaft area							
Basal reef							
No. 1	1 229	98	18.1	30.44	551	0.50	9.00
No. 2	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	12.03
No. 3	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	11.09
Quarter ended March 1979 ..	2 862	430	23.5	47.56	1 079	0.51	11.38
Quarter ended December 1978	2 673	342	[illegible]	74.30	702	0.39	9.06
Six months ended March 1979 ..	5 535	782	15.7	44.95	916	0.62	10.39
'B' reef							
No. 1	77	52	128.1	0.26	38	0.03	3.86
Quarter ended March 1979 ..	86	62	138.1	0.26	36	0.03	3.86
Quarter ended December 1978	82	42	165.6	1.95	356	0.02	4.51
Six months ended March 1979 ..	168	104	156.5	1.08	166	0.03	4.12
Leader reef							
No. 2	187	96	85.3	4.34	277	0.03	14.73
No. 3	405	46	145.3	2.75	411	0.16	24.12
Quarter ended March 1979 ..	592	444	131.1	3.31	382	0.17	22.09
Quarter ended December 1978	486	244	125.0	4.11	503	0.19	23.77
Six months ended March 1979 ..	1 078	688	128.2	3.32	435	0.18	22.69
Intermediate reef							
No. 2							
Quarter ended March 1979 ..	212	148	121.1	1.55	182	0.41	49.98
Quarter ended December 1978	212	186	89.6	1.17	105	0.32	28.46
Six months ended March 1979 ..	424	334	103.6	1.34	139	0.37	38.00

DIVIDEND

The interim dividend of 42.5 cents per share in respect of the year ending September 30 1979 was declared on April 19 1979 payable to members registered on May 4 1979 and will be paid on or about June 8 1979.

CAPITAL EXPENDITURE

Orders placed and outstanding on capital contracts as at March 31 1979 totalled R1 468 000 of which R111 000 was in respect of the metallurgical complex.

For and on behalf of the board
G. Y. NISBET, G. LANGTON } Directors

April 20 1979

JOINT METALLURGICAL SCHEME

	Quarter ended Mar. 1979	Quarter ended Dec. 1978	Six months ended Mar. 1979
SUMMARY			
(i) Pyrite flotation plant—slimes treated—tons	4 485 000	4 126 000	8 611 000
(ii) Uranium plant—slimes treated—tons	674 000	557 000	1 231 000
concentrate treated—tons	109 000	93 000	202 000
uranium oxide produced—kg	187 706	[illegible]	330 702
(iii) Acid plant—acid produced—tons	73 557	71 318	144 875
(iv) Gold plant—calcine treated—tons	67 632	71 497	139 129
gold produced—kg	373	398	771
(v) Profit—estimated	R8 932 000	R1 085 000	R10 017 000

NOTE

In comparing the results of the two quarters it should be recalled that there were no sales of uranium oxide in the quarter ended December 31 1978.

PRESIDENT BRAND

President Brand Gold Mining Company Limited

ISSUED CAPITAL: 14 040 000 units of stock of 50 cents each.

	Quarter ended Mar. 1979	Quarter ended Dec. 1978	Six months ended Mar. 1979
OPERATING RESULTS			
GOLD			
Area mined—centares (square metres) 000's	148	149	297
*Tons milled 000's	802	761	1 563
Yield—g/t	9.76	9.62	9.69
Production—kg	7 828	7 324	15 152
Cost—R/ca mined	152.14	140.89	145.40
—R/ton milled	28.08	27.58	27.82
—R/kg produced	2 876	2 862	2 870
Joint Metallurgical Scheme (See summary)			
Slimes delivered			
Tons 000's	408	420	828
Yield			
gold—g/t	0.37	0.38	0.38
uranium—kg/t	0.08	0.08	0.08
sulphur—per cent	1.14	1.17	1.15
PRICE RECEIVED ON SALES			
Gold—R/kg	6 538	6 043	6 311
—$/oz	239	215	228
FINANCIAL RESULTS	R000	R000	R000
Gold—Revenue	51 182	44 501	95 683
—Costs	22 517	20 963	43 480
—Profit	28 665	23 538	52 203
Joint Metallurgical Scheme profit	2 637	2 379	5 016
Net sundry expenditure	(378)	(269)	(647)
Profit before taxation and State's share of profit	30 924	25 648	56 572
Provision for taxation and State's share of profit	10 129	9 658	19 787
Profit after taxation and State's share of profit	20 795	15 990	36 785
Deduct:			
Appropriation and transfer:			
Capital expenditure (after taking account of consumer loans)			19 492
Loan levies—net			(344)
Dividend—interim			16 146
Retained profit for the six months			1 491
Capital expenditure:			
—mine	3 725	2 599	6 324
—Joint Metallurgical Scheme	6 871	6 643	13 514
Loan levies—estimated	435	1 115	1 550
CONSOLIDATED PROFIT			
Consolidated profit after taxation and State's share of profit of the company and its subsidiary, Free State Saaiplaas Gold Mining Company Limited—after allowing for minority shareholders' interests	23 283	15 864	38 147
*Includes tonnage treated on cost plus service charge basis for Free State Saaiplaas	120 500	112 100	232 600

DEVELOPMENT

	Advance metres	Sampled metres	channel width cm	gold g/t	gold cm.g/t	uranium kg/t	uranium cm.kg/t
Shaft area							
Basal reef							
No. 1	252	36	192.9	1.80	348	0.09	17.56
No. 2	2 883	365	34.8	33.58	1 169	0.23	8.02
No. 3	781	110	8.9	261.91	2 331	2.35	21.01
No. 4	3 419	386	151.6	13.80	2 137	0.04	6.33
Quarter ended March 1979 ..	7 481	802	95.9	18.38	1 760	0.10	9.84
Quarter ended December 1978	8 034	622	91.4	20.01	1 829	0.10	9.50
Six months ended March 1979 ..	15 495	1 424	93.9	19.06	1 790	0.10	9.88
Leader reef							
No. 1	734	288	115.3	5.83	672	0.17	19.32
No. 3	1 246	582	122.6	5.43	666	0.30	38.71
Quarter ended March 1979 ..	1 980	850	120.3	5.55	668	0.28	31.23
Quarter ended December 1978	2 193	768	121.3	5.58	677	0.25	30.54
Six months ended March 1979 ..	4 173	1 618	120.8	5.57	673	0.26	30.80
In addition, area under tribute from President Steyn							
Basal reef							
Quarter ended March 1979 ..	443	60	12.3	248.94	3 062	1.84	22.62
Quarter ended December 1978	489	52	13.0	266.15	3 460	2.00	25.90
Six months ended March 1979 ..	932	112	12.6	257.70	3 247	1.92	24.14

DIVIDEND

The interim dividend of 115 cents per unit of stock in respect of the year ending September 30 1979 was declared on April 19 1979 payable to members registered on May 4 1979 and will be paid on or about June 8 1979.

CAPITAL EXPENDITURE

Orders placed and outstanding on capital contracts as at March 31 1979 totalled R22 306 000 of which R17 101 000 was in respect of the metallurgical complex.

For and on behalf of the board
D. A. ETHEREDGE, G. LANGTON } Directors

April 20 1979

FREE STATE SAAIPLAAS

Free State Saaiplaas Gold Mining Company Limited

ISSUED CAPITAL: 25 100 000 shares of R1 each

	Quarter ended Mar. 1979	Quarter ended Dec. 1978	Six months ended Mar. 1979
OPERATING RESULTS			
GOLD			
Area mined—centares (square metres) 000's	56	61	117
Tons milled 000's	316	306	622
Yield—g/t	3.37	3.58	3.47
Production—kg	1 066	1 095	2 161
Cost—R/ca mined	131.71	117.44	124.27
—R/ton milled	23.34	23.41	23.38
—R/kg produced	6 919	6 542	6 728
Joint Metallurgical Scheme (see summary)			
Slimes delivered			
Tons 000's	635	553	1 188
Yield			
gold—g/t	0.38	0.36	0.37
uranium—kg/t	0.23	0.24	0.24
sulphur—per cent	0.72	0.76	0.74
PRICE RECEIVED ON SALES			
Gold—R/kg	6 526	5 981	6 256
—$/oz	238	214	226
FINANCIAL RESULTS	R000	R000	R000
Gold—Revenue	7 014	6 587	13 601
—Costs	7 376	7 164	14 540
—(Loss)	(362)	(577)	(939)
Joint Metallurgical Scheme profit (loss)	4 797	(336)	4 461
Net sundry income	538	661	1 199
Profit (loss) before taxation and State's share of profit	4 973	(252)	4 721
Provision for taxation and State's share of profit	—	—	—
Profit (loss) after taxation and State's share of profit	4 973	(252)	4 721
Capital expenditure:			
—mine	6 618	4 748	11 368
—Joint Metallurgical Scheme	28	31	59
Tonnage treated for President Brand on a cost plus service charge basis	120 500	112 100	232 600
SHAFT SINKING			
No. 3 shaft	metres	metres	metres
Advance	68.8	111.9	180.7
Final depth	2 264.2	2 195.4	2 264.2
Station cutting	610.0	659.1	1 269.1

Shaft sinking was completed on February 12 1979. Some development remains to be done on the belt station after which equipping of the shaft will begin. It is expected that the shaft will be commissioned during 1980.

FREE STATE SAAIPLAAS—*Continued*

DEVELOPMENT

	Advance metres	Sampled metres	channel width cm	gold g/t	gold cm.g/t	uranium kg/t	uranium cm.kg/t
Shaft area							
Basal reef							
No. 2	1 045	35	144.2	5.89	864	0.29	42.09
No. 3	575	70	102.3	7.23	740	0.17	17.43
Quarter ended March 1979 ...	1 620	105	118.5	6.71	782	0.22	25.81
Quarter ended December 1978	1 703	310	108.5	9.44	1 024	0.41	44.15
Six months ended March 1979 ..	3 323	415	110.5	8.71	962	0.36	39.47
Leader reef							
No. 2							
Quarter ended March 1979 ..	624	66	130.0	3.05	396	0.16	20.78
Quarter ended December 1978	482	86	113.0	4.28	484	0.19	21.43
Six months ended March 1979 ..	1 106	152	118.9	3.74	446	0.18	21.16
'B' reef							
No. 2							
Quarter ended March 1979..	31	26	82.3	0.36	30	0.03	2.51
Quarter ended December 1978	4	—	—	—	—	—	—
Six months ended March 1979 ..	35	26	82.3	0.36	30	0.03	2.51

CAPITAL EXPENDITURE

Orders placed and outstanding on capital contracts as at March 31 1979 totalled R29 338 000 of which R40 000 was in respect of the metallurgical complex.

For and on behalf of the board
D. A. ETHEREDGE, G. LANGTON } Directors

April 20 1979

WESTERN HOLDINGS

Western Holdings Limited

ISSUED CAPITAL: 7 498 376 shares of 50 cents each

	Quarter ended Mar. 1979	Quarter ended Dec. 1978	Six months ended Mar. 1979
OPERATING RESULTS			
GOLD			
Area mined—centares (square metres) 000's	150	156	306
Tons milled 000's	794	740	1 534
Yield—g/t	9.24	10.12	9.66
Production—kg	7 337	7 487	14 824
Cost—R/ca mined	130.39	119.88	124.83
—R/ton milled	24.61	25.21	24.90
—R/kg produced	2 664	2 492	2 577
Joint Metallurgical Scheme (See summary)			
Slimes delivered			
Tons 000's	1 048	943	1 991
Yield			
gold—g/t	0.46	0.43	0.45
uranium—kg/t	0.10	0.09	0.09
sulphur—per cent	1.06	1.00	1.03
PRICE RECEIVED ON SALES			
Gold—R/kg	6 517	6 056	6 284
—$/oz	237	217	228
FINANCIAL RESULTS	R000	R000	R000
Gold—Revenue	48 521	45 533	94 054
—Costs	19 543	18 655	38 198
—Profit	28 978	26 878	55 856
Joint Metallurgical Scheme profit (loss)	276	(336)	(60)
Net sundry income	2 105	1 543	3 648
Profit before taxation and State's share of profit	31 359	28 085	59 444
Provision for taxation and State's share of profit	17 455	16 342	33 797
Profit after taxation and State's share of profit	13 904	11 743	25 647
Deduct:			
Appropriation and transfer:			
Capital expenditure (after taking account of consumer loans)			4 603
Loan levies—net			691
Dividend—interim			20 240
Retained profit for the six months			113
Capital expenditure:			
—mine	1 887	1 749	3 636
—Joint Metallurgical Scheme	913		913
Loan levies—estimated	665	1 174	1 839

DEVELOPMENT

	Advance metres	Sampled metres	channel width cm	gold g/t	gold cm.g/t	uranium kg/t	uranium cm.kg/t
Shaft area							
Basal reef							
No. 1	1 321	94	17.2	261.98	4 506	1.20	20.52
No. 2	1 461	145	13.6	176.25	2 397	0.42	5.66
No. 3	2 062	350	33.9	16.26	559	0.11	3.74
No. 4	1 899	106	7.8	137.82	1 075	1.48	11.49
Quarter ended March 1979 ..	6 835	698	33.4	68.56	1 856	0.32	7.98
Quarter ended December 1978	7 673	958	30.4	66.12	2 010	0.30	9.11
Six months ended March 1979 ..	14 508	1 656	27.4	66.38	1 819	0.31	8.47
Leader reef							
No. 1	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
No. 2	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
No. 3	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
No. 4	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Quarter ended March 1979 ..	1 060	814	183.2	2.74	586	0.13	24.13
Quarter ended December 1978	1 132	614	194.0	2.79	534	0.13	24.77
Six months ended March 1979 ..	2 232	1 138	193.7	2.81	544	0.13	24.47

DIVIDEND

The interim dividend of 270 cents per share in respect of the year ending September 30 1979 was declared on April 19 1979 payable to members registered on May 4 1979 and will be paid on or about June 8 1979.

CAPITAL EXPENDITURE

Orders placed and outstanding on capital contracts as at March 31 1979 totalled R4 084 000 of which R1 290 000 was in respect of the metallurgical complex.

For and on behalf of the board
G. LANGTON, D. A. ETHEREDGE } Directors

April 20 1979

ANGLO AMERICAN CORPORATION OF SOUTH AFRICA LIMITED

GENERAL NOTES

1. DIVIDENDS
Attention is directed to an announcement published in conjunction herewith relating to the declaration on Thursday, April 19 1979, of interim dividends for the year ending September 30, 1979.
2. TAXATION SURCHARGE AND LOAN LEVIES
Following the recent Budget announcement the decrease in formula tax surcharge from 7.5 per cent to 5 per cent applicable for the financial year to date has been taken into account in the quarter ended March 31 1979.
The loan levy has been decreased from 15 per cent to 10 per cent and the estimated amounts payable are shown in the above tabulations.
3. DEVELOPMENT
Development values represent actual results of sampling, no allowances having been made for adjustments necessary in estimating ore reserves.

The Transvaal Group's results appear on another page in this paper.

Copies of these reports will be available on request from the offices of the Transfer Secretaries:
Charter Consolidated Limited, P.O. Box 102, Charter House, Park Street, Ashford, Kent, TN24 8EQ.
LONDON OFFICE: 40 HOLBORN VIADUCT, EC1P 1AJ

NORTH AMERICAN NEWS

Industry boom doubles Alcoa income

BY STEWART FLEMING IN NEW YORK

BOOM CONDITIONS in the U.S. aluminium industry are reflected in the first quarter earnings of Aluminium Company of America (Alcoa), the largest U.S. producer.

Net income in the first quarter more than doubled from $53.9m or $1.53 a share in the first three months of 1978 to $127.7m or $3.62 a share.

The size of the first quarter increase took some industry analysts by surprise, and the shares rose ¾ to $54¼ following the announcement.

Sales revenues of the company, whose profitability has been rising steadily over the past nine months, increased from $941m to $1.2bn in the first quarter.

The company chairman, Mr. W. H. K. George, said that a very strong demand for aluminium, higher prices for major products in the market place and the favourable effects of large earlier investments in more efficient plant all contributed to the very good first quarter figures.

He went on to predict that the company's earnings for the rest of 1979 would remain strong. He said that Alcoa estimates that the U.S. gross national product will increase about 3 per cent this year, and if so, aluminium shipments will rise by between 3 and 4 per cent.

On the question of a possible slowdown later this year, he said that the signs of such a downturn are not clear. He argued that the impact of such a decline on the company would not, however, be as serious as on the aluminium industry as a whole because of the company's position in the packaging and aerospace markets.

Sharp gain for Eaton in first quarter

By Our Financial Staff

EATON CORPORATION, which has been extending its activities beyond motor components into electronics, boosted its earnings by 46 per cent in the first quarter to $44.81m, or $2.43 a share.

Sales put on 48 per cent to $864.4m, but Mr. E. Mandell de Windt, the chairman, said that the first quarter growth rate would not be maintained throughout the rest of the year.

This is largely because the second half of 1978 was already showing the increased impact from sales of newly acquired companies, and this will affect later comparisons in 1979.

Also affecting comparisons in the remaining quarters of 1979, said Mr. de Windt, will be the strong economic acceleration experienced by Eaton throughout 1978.

Pullman loss

Operating net income of the diversified industrial company Pullman Incorporated for the first quarter of 1979 rose from $7.33m or 67 cents a share to $22.79m or $2.07 a share on sales revenues up from $499.26m to $692.92m, writes our financial staff. After a write-off of $39.8m or $3.62 a share in respect of the discontinued rail passenger car manufacturing operation, the final result was a net loss of $17.01m or $1.55 a share against a net loss of $3.86m or 35 cents a share.

Jeep sales lift AMC profits to peak

By Our New York Staff

THE EXTRAORDINARY success of its four-wheel drive range of Jeep vehicles has helped American Motors Corporation to the highest quarterly earnings in its history.

Net profits of $32m, including an extraordinary tax credit of $7m, have been achieved despite a continuing fall in sales of AMC passenger cars.

Jeep sales in the first quarter of this year, which is AMC's second fiscal quarter, leapt 41 per cent to 63,436. Profitability of the Jeep range has been far higher than most analysts expected.

AMC's earnings of $1.06 per share compare with $2.7m or 9 cents a share last year. Net sales rose 21 per cent to a record $773.4m. For the first six months, AMC reported net earnings of $58.2m or $1.92 per share compared with $4.6m or 15 cents a share. Extraordinary tax credits amounted to $14.6m compared with $1.6m in the first half of last year.

Fuel costs hit airline results

BY JOHN WYLES IN NEW YORK

SHARPLY RISING fuel costs are beginning to show up in the first quarter earnings results of U.S. airlines, whose profits outlook is now increasingly dependent on Government approval for higher fares.

In reporting a $6.8m net loss for the quarter, American Airlines has drawn attention to a 19.5 per cent increase in its fuel costs compared with the same period last year. Part of the increase was attributable to a 7.5 per cent rise in fuel consumption, but an increase in contract prices and a tight spot market have helped to boost this important operating expense.

Trans World Corporation, whose subsidiary Trans World Airlines normally offers a first-quarter deficit in common with American, has reported fuel costs which were about 8.5 per cent higher than last year. Following a TWA pre-tax loss of $34.9m in the first quarter—$9.6m higher than a year ago—Trans World's first-quarter deficit was $47.8m compared with $37.6m a year ago.

The impact of the March 26 OPEC oil price increase is barely reflected in the airlines' first-quarter costs. But the Air Transport Association estimates that higher fuel bills will add close to $800m to the industry's costs this year—enough virtually to eliminate 1978's record aggregate profits of just over $1bn.

Fuel accounts for something like 21 per cent of total costs, and a 1 cent per gallon increase adds around $100m to the industry's fuel bill. Thus the industry is looking to the Civil Aeronautics Board to authorise higher fares to help offset rising costs. The CAB has already granted a 4 per cent across-the-board fare increase from May 15 in a decision which was not formally linked with the recent climb in fuel prices.

In a full year, this fare increase will add something like $600m to industry revenues, and the CAB staff is currently reviewing the case for another general increase of 2.5 per cent, which could be worth an additional $425m.

Analysts are not yet significantly pruning earlier estimates of aggregate profits for the industry of $600-$700m this year, although the CAB's attitude to further fare increases and the length of the strike which has shutdown the largest airline in the country for the past three weeks may eventually prompt lower expectations.

The strike at United Airlines is bringing a traffic boom for a number of its competitors, including American and North West Airlines, but traffic was already showing healthy year on year increases before this windfall. In March, domestic and international scheduled traffic increased 20 per cent over the year before, with an 11.8 per cent increase in capacity. The passenger load factor for U.S. airlines was 65.6 per cent compared with 61.1 per cent a year ago.

THE MUTUAL FUND INDUSTRY

Money market funds set the pace

BY STEWART FLEMING IN NEW YORK

IT WAS in the "go-go" years of the 1960s that keen investment managers and a booming stock market turned America on to equity investment and made a money-spinner out of the mutual fund industry.

The fever spread from Wall Street to other parts of the industrialised world, and, by courtesy of men like Bernie Cornfeld, even to some developing countries.

The promises of the fund managers were not always fulfilled, at least not so far as investors were concerned, and once worldwide inflation set in, mutual fund investors discovered that they could lose more than they could win on the swings and roundabouts of the stock market.

Between 1972 and 1974 the assets of the U.S. mutual fund industry steadily declined from $60bn to $34bn as Americans looked for safer havens for their capital. The mutual fund industry appeared to be facing a bleak future, even though the assets of the funds invested in ordinary shares recovered to around $40bn by 1977.

Over the past year, however, the horizon has been transformed. Earlier this week, Merrill Lynch, the largest New York stockbroking firm, disclosed that a mutual fund it manages had become the largest American mutual fund ever in terms of assets under management, surpassing the previous record of $3.14bn set on November 29, 1968, by Investors Mutual, a stock and bond fund run by Investors Diversified Services of Minneapolis.

The new record-holder is Merrill Lynch Ready Assets, which last week hit $3.25bn

A dramatic turnround in the fortunes of the mutual fund industry reflects changing attitudes towards personal savings in the U.S. But money market funds have been the channel through which the mutual funds have recorded their remarkable upsurge

doubling in size since January. This suggests that something dramatic has been happening, and indeed it has, for the Merrill Lynch fund is only one of over 60 money market mutual funds, which have become one of the most popular savings vehicles over the past year.

There can be no doubt which has been the most popular. The six-month savings certificates, which the U.S. authorities first permitted banks and savings institutions to issue in June of last year, attracted over $100bn of savings by early 1979.

But the money market mutual funds have caught investors' fancy, too. Started in 1974, by the beginning of 1978 the funds had attracted some $4bn of savings. The latest figure is $18bn, with money flowing in at a rate of over $2bn a month since November.

Already the money market funds have attracted almost half of the $40bn or so that is currently invested in mutual funds. This adds up to a big increase in management fees, even though funds charge only 3/10 to 9/10 of 1 per cent per year on funds under management.

The growth of money market funds has, as a spokesman for the Investment Company Institute put it, been a "lifesaver" for some companies in the mutual fund industry.

The reasons for their popularity are numerous. The money market funds invest in such assets as treasury bills, commercial paper and bank certificates of deposit, and over the past year interest rates, and so returns to investors, on these instruments have soared. A year ago, a six-month CD was yielding around 6¾ per cent; now the figure is close to 10½ per cent. Money market mutual funds are returning over 10 per cent too, a key rate when it comes to tempting savers to switch from elsewhere.

While the money market funds were not able to match the pulling power of the new six-month certificates in the short-term, they have been designed to offer some attractive options. The six-month certificates sold by banks and savings institutions are available only in denominations of $10,000 minimum. Recently, their attractions were diminished by a decision to prohibit the compounding of interest.

The money market funds can be bought for as little as $1,000. Most do not impose any penalty for early withdrawal—although there are penalties with the six-month certificates — and some — the Merrill Lynch Fund, for example—even offer investors the ability to write cheques against their balances. Because the funds are invested in money market assets, the capital value of investors' funds is secure. In addition, the fund has no tax liability.

Their growth has already raised fears that they represent another leak from the money supply, which could further weaken Federal Reserve monetary policy. It is generally accepted that they are part of the reason why the money supply figures have been so sluggish.

More generally, the funds demonstrate the opportunities for innovation in financial markets which are opened up when rising inflation and interest rates begin to break down the traditional patterns of economic behaviour and overwhelm regulations designed for a more stable financial environment.

The growth of the funds is another factor which is forcing federal regulators to propose changes in such controls as interest rate ceilings, which were partly designed to maintain a competitive balance between commercial banks and thrift institutions.

Like the phenomenal and totally unexpected success of the six-month savings certificate, the money market funds also reflect the growing awareness of Americans of the threat which inflation poses to the value of their financial assets. The lessons of 1974 have been learnt, and the saver needs no encouragement to look for a rate of return which is both secure and as close as possible to beating the rate of inflation.

If short term interest rates were to fall sharply, however, the investor might find himself wishing he had put some of his savings into long-dated bonds and secured the 9 per cent yields now on offer.

U.S. QUARTERLIES

ALBERTO-CULVER	1979	1978
Second quarter	$	$
Revenue	48.0m	43.9m
Net profits	856,000	761,[illegible]
Net per share	0.23	0.18
Six months		
Revenue	91.2m	82.2m
Net profits	1.59m	1.29m
Net per share	0.38	0.30

AMERICAN HOME PRODUCTS	1979	1978
First quarter	$	$
Revenue	913.[illegible]m	811.[illegible]m
Net profits	100.87m	88.59m
Net per share	0.64	0.56

AMERICAN TEL. AND TEL.	1979	1978
First quarter	$	$
Revenue	10.9bn	9.84bn
Net profits	1.32bn	1.23bn
Net per share	1.96	1.88

BECKMAN INSTRUMENTS	1979	1978
Third quarter	$	$
Revenue	110.2m	87.6m
Net profits	7.1m	5.5m
Net per share	0.40	0.33
Nine months		
Revenue	301.3m	246.1m
Net profits	20.1m	15.1m
Net per share	1.14	0.91

BELL AND HOWELL	1979	1978
First quarter	$	$
Revenue	136.4m	124.0m
Net profits	1.02m	3.10m
Net per share	0.18	0.55

BORDEN	1979	1978
First quarter	$	$
Revenue	950m	842.6m
Net profits	28.25m	27.66m
Net per share	0.92	0.89

BURLINGTON INDUSTRIES	1979	1978
Second quarter	$	$
Revenue	672.2m	606.8m
Net profits	18.15m	16.87m
Net per share	0.64	0.[illegible]
Six months		
Revenue	1.3bn	1.2bn
Net profits	36.84m	31.32m
Net per share	1.29	1.[illegible]

BRISTOL-MYERS	1979	1978
First quarter		
Revenue	653.65m	585.2m
Net profits	48.1m	41.38m
Net per share	0.73	0.62

CESSNA AIRCRAFT	1979	1978
Second quarter	$	$
Revenue	216.10m	16[illegible]m
Net profits	10.14m	5.41m
Net per share	0.58	0.31
Six months		
Revenue	414.2m	33[illegible]m
Net profits	20.98m	12.64m
Net per share	1.19	0.74

CHAMPION INTERNATIONAL	1979	1978
First quarter	$	$
Revenue	901m	808.3m
Net profits	67.6m	43.26m
Net per share	1.21	0.77

CHESEBROUGH-POND'S	1979	1978
First quarter	$	$
Revenue	272.2m	214.3m
Net profits	19.67m	16.38m
Net per share	0.61	0.51

COLEMAN	1979	1978
First quarter	$	$
Revenue	144.6m	1[illegible]1m
Net profits	10.01m	6.63m
Net per share	0.85	0.57

CONTINENTAL CORPORATION	1979	1978
First quarter	$	$
Revenue	775m	705m
Net profits	70.8m	63.4m
Net per share	1.32	1.18

COOPER INDUSTRIES	1979	1978
First quarter	$	$
Revenue	210.2m	193.7m
Net profits	21.39m	18.18m
Net per share	1.88	1.57

CROCKER NATIONAL	1979	1978
First quarter	$	$
Net profits	20.43m	14.93m
Net per share	1.57	1.21

CROUSE-HINDS	1979	1978
First quarter	$	$
Revenue	90.2m	77.6m
Net profits	5.9m	4.6m
Net per share	0.70	0.54

DICTAPHONES	1979	1978
First quarter	$	$
Revenue	70.2m	56.7m
Net profits	3.27m	2.74m
Net per share	0.76	0.66

DOMINION TEXTILE	1979	1978
Third quarter	C$	C$
Revenue	190.7m	14[illegible]m
Net profits	7.7m	5.4m
Net per share	0.92	0.69
Nine months		
Revenue	473.5m	406.9m
Net profits	15.8m	11.7m
Net per share	1.90	

DUN AND BRADSTREET	1979	1978
First quarter	$	$
Revenue	208.4m	178.5m
Net profits	19.63m	15.84m
Net per share	0.70	0.56

ETHYL CORPORATION	1979	1978
First quarter	$	$
Revenue	370.6m	319.7m
Net profits	21.14m	17.68m
Net per share	1.03	0.85

FEDERAL-MOGUL	1979	1978
First quarter	$	$
Revenue	161.1m	127.2m
Net profits	10.7m	7.0m
Net per share	0.84	0.57

[illegible] CORPORATION	1979	1978
First quarter	$	$
Revenue	267.2m	22[illegible]m
Net profits	5.2m	4.0m
Net per share	0.32	0.[illegible]

GANNETT	1979	1978
First quarter	$	$
Revenue	168.7m	148.5m
Net profits	18.45m	15.16m
Net per share	0.68	0.57

GREAT LAKES FOREST PRODUCTS	1979	1978
First quarter	C$	C$
Revenue	76m	62m
Net profits	5.3m	2.6m
Net per share	2.31	0.[illegible]

HARRIS CORPORATION	1979	1978
Third quarter	$	$
Revenue	250.3m	21[illegible]m
Net profits	16.24m	13.46m
Net per share	0.62	0.[illegible]
Nine months		
Revenue	70.89m	617.9m
Net profits	44.19m	36.69m
Net per share	1.72	1.49

HERCULES	1979	1978
First quarter	$	$
Revenue	555m	439m
Net profits	36.1m	18.2m
Net per share	0.82	0.42

INLAND STEEL	1979	1978
First quarter	$	$
Revenue	898.74m	756.48m
Net profits	24.93m	24.18m
Net per share	1.18	1.16

INTERNATIONAL RECTIFIER	1979	1978
Third quarter	$	$
Revenue	31.8m	26.2m
Net profits	1.78m	1.04m
Net per share	0.67	0.38
Nine months		
Revenue	89.8m	74.4m
Net profits	4.31m	2.48m
Net per share	1.62	0.95

FRED S. JAMES	1979	1978
First quarter		
Revenue	40.1m	34.6m
Net profits	5.11m	4.39m
Net per share	0.59	0.52

MARTIN MARIETTA	1979	1978
First quarter	$	$
Revenue	437.3m	348.2m
Net profits	32.76m	17.85m
Net per share	1.29	0.76

MERCK	1979	1978
First quarter	$	$
Revenue	566.1m	455.9m
Net profits	90.9m	74.0m
Net per share	1.20	0.98

METROMEDIA	1979	1978
First quarter	$	$
Revenue	95.34m	80.[illegible]m
Net profits	6.08m	5.36m
Net per share	1.60	1.[illegible]

OCCIDENTAL PETROLEUM	1979	1978
First quarter	$	$
Revenue	1.84bn	1.[illegible]bn
Net profits	87.9m	32.1m
Net per share	1.02	0.35

PACIFIC GAS AND ELECTRIC	1979	1978
First quarter	$	$
Revenue	995.9m	802.8m
Net profits	115.7m	77.8m
Net per share	0.82	0.[illegible]

PARKER-HANNIFIN	1979	1978
Third quarter	$	$
Revenue	221.4m	179.4m
Net profits	13.4m	10.9m
Net per share	0.97	0.81
Nine months		
Revenue	598.1m	503m
Net profits	34m	27.1m
Net per share	2.48	2.01

PFIZER	1979	1978
First quarter	$	$
Revenue	640.8m	555.1m
Net profits	58.6m	51.1m
Net per share	0.80	0.70

REYNOLDS METALS	1979	1978
First quarter	$	$
Revenue	775.7m	608.4m
Net profits	38.3m	11.1m
Net per share	2.00	0.63

ROCKWELL INTERNATIONAL	1979	1978
Second quarter	$	$
Revenue	1.54bn	1.30bn
Net profits	64.9m	43.5m
Net per share	1.68	1.14
Six months		
Revenue	2.98bn	2.54bn
Net profits	129.6m	83.0m
Net per share	3.36	2.19

ROYAL TRUSTCO	1979	1978
First quarter		
Revenue	190m	148.0m
Net profits	3.7m	5.2m
Net per share	0.23	0.32

RYAN HOMES	1979	1978
First quarter	$	$
Revenue	93.0m	60.5m
Net profits	2.27m	1.48m
Net per share	0.41	0.23

SMITHKLINE	1979	1978
First quarter	$	$
Revenue	318m	244.9m
Net profits	52.1m	34.1m
Net per share	1.72	1.14

TANDY	1979	1978
Third quarter	$	$
Revenue	276.1m	243.9m
Net profits	12.78m	8.66m
Net per share	0.49	0.30
Nine months		
Revenue	834.4m	809.2m
Net profits	63.23m	49.13m
Net per share	2.47	2.04

3M	1979	1978
First quarter		
Revenue	1.31bn	1.08bn
Net profits	152.1m	119.3m
Net per share	1.30	1.03

[illegible]RICA CORPORATION	1979	1978
First quarter	$	$
Revenue	939.8m	831.4m
Net profits	59.03m	46.68m
Net per share	0.89	0.70

TRANSWORLD CORPORATION	1979	1978
First quarter	$	$
Revenue	841.3m	756.5m
Net profits	*47.83m	*37.55m
Net per share	*3.20	*2.57
*Loss		

TYLER	1979	1978
First quarter	$	$
Revenue	89.4m	73.0m
Net profits	2.59m	2.36m
Net per share	0.25	0.21

UMC INDUSTRIES	1979	1978
First quarter	$	$
Revenue	83.33m	60.67m
Net profits	2.64m	2.50m
Net per share	0.52	0.49

UNION CAMP	1979	1978
First quarter	$	$
Revenue	324.2m	275.5m
Net profits	36.67m	27.32m
Net per share	1.51	1.13

U.S. HOME CORPORATION	1979	1978
First quarter	$	$
Revenue	190.4m	140.6m
Net profits	10.62m	5.09m
Net per share	0.92	0.44

VIRGINIA ELECTRIC AND POWER	1979	1978
First quarter	$	$
Revenue	403.95m	391.8m
Net profits	48.43m	53.65m
Net per share	40.6	51.4

WARNER COMMUNICATIONS	1979	1978
First quarter	$	$
Revenue	453.6m	312.5m
Net profits	30.8m	20.4m
Net per share	1.57	1.06

INTERNATIONAL CAPITAL MARKETS

Value of Eurodollar CDs outstanding falls sharply

BY MARY CAMPBELL

THE VALUE of Eurodollar Certificates of Deposit outstanding fell back sharply in the month to mid-March. The latest figures from the Bank of England show that the fall, to $27.3bn on March 21 from an all-time high of $28.6bn in mid-February, puts the volume of issues outstanding back to levels ruling before the big end-year build-up four months ago.

The main factor in the fall was the U.S. banks, which cut the value of the CDs they had on issue by $1.4bn to $14.3bn in the month to mid-March. Japanese banks also cut back their issues, but by very little—from $5.3bn to $5.2bn. Other banks increased their issues.

The sharp cutback by the U.S. banks will puzzle a number of market operators. In the middle of March these were suggesting that U.S. banks' issuing activity was beginning to pick up again after the usual seasonal fall at the beginning of the year. In fact, issuing activity, particularly by the U.S. banks, has see-sawed twice now since the firmly rising trend became established late last summer. Issues outstanding fell in the month to mid-January, and rose again in the subsequent month before falling sharply in the latest reporting period to mid-March.

In contrast to the previous month, the latest figures show that the U.S. banks' cutback in CDs outstanding in London ran parallel with a cutback in deposit-taking generally. Non-sterling deposits with U.S. banks in London fell from $91.3bn in mid-February to $89.1bn a month later. In the previous month, the value of U.S. bank Eurodollar CDs had risen despite a fall in their overall deposits in London.

These latest Bank of England figures thus show that the U.S. banks have been cutting back their deposits quite heavily in London for two consecutive months. This development does not at all accord with the argument that the narrowing in interest rate differentials between domestic and external dollars, combined with the changes in reserve requirements introduced last August, was causing U.S. banks to shift their funding operations from within the U.S. to the external dollar market. According to this argument they were in effect borrowing abroad in order to import dollars into the U.S.

DM150m bond for Argentina

BY FRANCIS GHILES

A DM 150m 10-year bond for the Republic of Argentina was launched by Deutsche Bank last night. The bonds, which have an average life of eight years, carry an indicated coupon of 7½ per cent and are expected to be priced around 99½.

In the secondary Deutschemarket prices dropped for the second day running: they have fallen by a full point across the board in the last 48 hours.

The DM 100m 10-year bond for Barclays Overseas Investment Company was priced at 99 instead of the indicated 99½ by the lead manager, Dresdner Bank. The final coupon at 6¾ per cent is unchanged from initial indications.

This issue met with a cool reception when it was launched last week, and many bankers felt the terms were too tight, given the upward pressure on coupons both in the German domestic and Eurobond markets. The pricing, which gives a yield of 6.89 per cent, confirms that this issue has been received with little enthusiasm despite the prime quality of the borrower.

In the dollar sector, the market continues to be firm with the prices of selected issues, especially recent ones, up by ⅛ to ¼ of a point.

The subscription period for the $100m 10-year bond for the Kingdom of Sweden, 65 per cent of which is being placed in Japan, closed yesterday instead of next Monday due to strong demand. This issue, which is jointly led by Nomura Securities and S. G. Warburg, includes a coupon of 9¼ per cent and a final price of 99½.

The minimum coupon for the $50m five-year Bank Hapoalim FRN has been fixed at 6 per cent. Other final terms of this issue, which is being led by N. M. Rothschild, include an interest rate of ¼ per cent over six-month Libor.

The indicated coupon on the $75m 10-year bond being arranged for the European Investment Bank is 9¼ per cent with pricing expected at par. Lead manager is Kuwait Foreign Trading, Contractual and Investment Company.

In the sterling sector, prices were a little weaker for the second day in line with an easier gilt-edged market.

● Mr. Dennis Weatherstone has been elected chairman of Morgan Guaranty Ltd., the New York bank's newly-formed Eurobond underwriting and trading company, writes John Evans. British-born Mr. Weatherstone is already a vice-chairman of Morgan Guaranty Trust.

Mr. John A. Mayer has been appointed managing director of the new London-based company, which was formed in February with an initial capital of $10m.

In recent weeks, Morgan Guaranty Ltd. has acted as a co-manager of the £50m GEC Eurosterling bond and the FFr 130m Saint Gobain Eurofranc offering now in the market.

FT INTERNATIONAL BOND SERVICE

The list shows the 200 latest international bond issues for which an adequate secondary market exists. For further details of these or other bonds see the complete list of Eurobond prices published on the second Monday of each month.

Closing prices on April 19

U.S. DOLLAR STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Bayer Int. F. XW 7¾ 89	200	84	84½	−0½	−0¾	9.82
CECA 9¾ 84-99	50	96	96½	0	0	9.79
Canada 9 83	400	97⅞	98⅛	+0⅛	+0⅛	9.78
Canada 9¼ 98	350	97	97¼	+0⅛	+0⅛	9.79
Dow Chem. O/S 9¾ 94	200	97⅛	97⅝	−0⅛	−0⅛	9.96
EIB 9¼ 98	125	94⅞	95⅜	+0⅛	0	9.82
EIB 9⅞ 98	150	99⅞	100	−0⅛	0	9.90
EIB 9⅞ 98	100	100	100½	0	+0¼	10.08
Export Dv. Cpn. 9.85 84	150	100⅜	101⅛	+0⅛	+0⅛	9.84
Export Dv. Cpn. 9⅜ 84	100	97⅞	98⅜	+0⅛	0	9.81
Eksportfinans 9 86	50	96⅛	96⅝	0	+0⅛	9.69
Finland 9 88	100	95¼	96	+0⅛	+0⅛	9.66
Finland 9¼ 86	100	97⅞	98⅛	+0⅛	+0⅛	9.63
GTE Fin. 9½ 84	50	98⅛	98⅝	0	0	9.92
Gould Int. Fin. 9¾ 85	50	99⅞	100	+0⅛	+0⅛	9.80
Hospital O/S 9 83	25	97½	98	0	0	9.62
Hudson Bay Co. 10 94	50	100⅞	101½	+0⅛	0	9.88
Itel Finance 9¾ 90	30	94	94½	−0⅛	−0⅛	10.62
J. C. Penney 8⅞ 83	100	96⅛	96⅝	0	+0⅛	9.85
Manitoba 9½ 89	75	97⅛	97⅝	0	0	9.90
New Brunswick 9¾ 94	75	98	98½	0	0	9.97
Newfoundland 10 94	50	99⅞	99⅞	+0⅛	+0⅛	10.04
Norsk Hydro 9¾ 94	50	95⅞	96⅜	+0⅛	+0⅛	9.81
Norway 9¾ 84	150	100⅛	100⅝	0	−0⅛	9.57
Portland 10 84	50	97⅞	97⅞	−0⅛	0	10.63
Redland Fin. XW 9¼ 91	25	93	93½	−0⅛	−0⅛	10.51
Sears Roebuck 9 82	150	98⅜	98⅞	0	+0⅛	9.55
Stockholm 9¾ 94	50	99⅞	100⅛	+0⅛	+0⅛	9.89
UK 8⅞ 93	150	95⅞	96⅜	+0⅛	0	9.81

DEUTSCHE MARK STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
American Ex. Int. 5¾ 87	70	93⅛	93⅞	−0⅛	−0⅛	6.89
Argentina 6½ 88	150	93⅝	94⅛	−0½	+0⅛	7.39
Australia 6 88	250	96⅛	96⅞	−0⅛	−0⅛	6.49
Austria 6¾ 90	150	91⅞	92⅝	−0⅛	−0⅛	6.80
Banco Desarrollo 7⅛ 86	100	97½	97⅞	−0⅛	−0⅛	7.75
Bankamerica 5¾ 90	150	92⅝	93⅛	+0⅛	−0⅛	6.63
Bq. Ext. Algerie 7¾ 86	100	97⅛	97⅝	0	+0⅛	7.74
Brazil 7¼ 87	150	99⅞	100⅜	0	+0⅛	7.26
CECA 6 88	150	94⅞	95⅜	−0⅛	−0⅛	6.70
Ch. Manhttn. O/S 6 93	100	97	97½	−0⅛	−0⅛	6.28
Copenhagen City 6 90	75	92	92½	−0⅛	−0⅛	6.99
Council of Europe 6¼	100	95⅛	95⅝	0	−0⅛	6.83
Denmark 5¾ 85	100	96⅝	96⅞	−0⅛	0	6.46
Denmark 6¼ 88	100	96⅝	96⅞	−0⅛	−0⅛	6.98
EIB 6 90	300	92⅛	92⅝	−0⅛	−0⅛	6.97
EIB 6½ 91	200	95⅛	95⅝	−0⅛	−0⅛	6.96
Eletrobras-Brazil 7 87	100	95⅛	96⅜	−0⅛	−0⅛	7.63
Eurofima 6¾ 89	100	100	100⅝	−0⅛	−0⅛	6.44
Finland 6 83	150	99⅜	99⅞	0	0	6.12
Hitachi Ship. 5¾ 83	50	96⅞	97⅜	−0⅛	−0½	6.44
Indonesia 7 84	100	96⅛	97⅜	−0⅛	−0⅛	7.68
Kobe, City of 5¾ 86	100	96⅛	96⅞	−0⅛	−0⅛	6.37
Megal Fin. 7 89	150	99⅛	99⅝	−0⅛	−0⅛	7.09
Mitsubishi Petro. 5¾ 85	100	96⅞	96⅞	−0⅛	−0⅛	6.40
New Zealand 6¼ 87	200	99	99½	−0⅛	−0⅛	6.37
Nippon Kokan 7½ 84	100	99⅛	99⅞	−0⅛	−0⅛	7.62
Nippon Steel 5¾ 85	100	94	94½	−0⅛	−0⅛	6.86
Nippon Tel. & T. 6¼ 87	100	92⅛	93	−0⅛	−0⅞	6.74
Nordic Inv. Bk. 6½ 86	60	97⅜	98⅛	0	−0⅛	6.60
Norges Komm. 6 90	100	93⅝	94⅛	−0⅛	−0⅛	6.79
Norges Komm. 6¾ 89	150	96⅞	97⅜	−0½	−0⅛	6.65
Norway 6¾ 84	200	100⅞	101⅜	0	+0⅛	5.98
Occidental 6¾ 90	150	96	96½	−0⅛	−0⅛	7.23
OKB 6½ 88	100	98⅜	99⅛	−0⅛	−0⅛	6.67
OKB 6 87	40	96⅛	96⅞	−0⅛	−0⅞	6.58
Petroleo Brazil 7 88	100	97½	98	0	−0⅛	7.33
Ricoh 6¾ 83	30	95⅝	96⅛	−0½	−0⅛	6.36
Statoil 6 88	150	95⅛	96	−0⅛	−0⅛	6.64
Statoil 6½ 89	150	97⅞	98⅛	0	−0⅛	6.78
UDS Group 5¾ 83	85	96⅞	97⅛	0	0	6.56
Union Bank-Finn 6½ 88	50	93⅝	94⅛	−0⅛	−0⅛	7.40
Venezuela 6½ 90	150	90⅞	91⅜	−0⅛	−0⅛	7.68
World Bank 6¼ 88	400	95⅞	96⅜	−0⅛	0	6.81

SWISS FRANC STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Acesa 5¼ 88	40	102½	103½	+0⅛	0	4.85
Amer. Exp. Int. 3½ 93	40	93	93½	−0⅛	+0⅛	4.12
Asian Dev. Bank 3½ 94	100	86⅞	86⅞	+0⅛	+0⅛	4.77
Austria 3½ 93	100	93	93½	+0⅛	−0⅛	4.13
Australia 3¾ 89	250	95⅞	96⅛	+0½	+0⅛	4.14
Brazil 4¼	100	98⅛	98⅝	+0⅛	+0⅛	4.43
Canada 3¾ 89	300	95⅞	96½	+0⅛	+0⅛	4.12
Chase Manhattan 4 93	70	98⅜	98⅞	+0½	+0⅛	4.14
Council of Europe 4¼	100	97⅜	97⅞	0	+0⅛	4.51
Bankamerica 3¾ 93	80	95	95⅜	0	−0⅛	4.20
BNDE 5 88	75	98⅜	98⅞	0	−1⅛	5.24
Denmark 4¼ 90	100	100⅛	100⅝	+0⅛	+1⅛	4.44
EIB 4¼ 93	100	95½	96	−0½	−1½	4.66
Euratom 4¼ 93	80	93⅝	94	+0⅛	−1	4.85
F. L. Smidth 4½ 89	25	98⅛	98½	0	−0⅛	4.71
Finland 4½ 93	80	98½	98⅜	−0⅛	0	4.63
GZB 4¼ 93	100	99⅜	99	+0⅛	+0⅛	4.61
Heron 4¾ 89	35	93½	93⅞	+0½	−1	5.13
ICI Fin. NV 3¼ 94	230	90⅛	90⅞	0	−0⅛	4.78
Malaysia 4¾ 90	80	97	97¼	+0⅛	−1¼	5.03
New Zealand 3½ 94	120	91⅞	92	+0⅛	+0½	4.25
OKB 3¾ 91	100	94⅛	94½	+0⅛	+0⅛	4.36
Philippines 4¾ 89	50	96⅝	96⅞	+0⅛	+0⅛	5.18
Sandvik 4 90	85	93½	94	0	+0⅛	4.71
Spain 4 91	100	95⅛	95⅞	+0⅛	+0½	4.47
Voest-Alpine 4½ 93	100	99½	99⅞	+0⅛	+0⅛	4.57
Vienna 4 93	100	94	94½	−0⅛	−1½	4.56
World Bank 4¼ 93	250	95	95⅜	−4½	−4⅛	4.72

YEN STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Asian Dev. Bank 5¾ 88	15	84⅞	85⅞	+0⅛	+0½	8.02
Australia 5.6 83	30	93⅝	94⅜	−0⅛	−0⅛	7.20
Australia 6¼ 88	20	91½	92½	0	0	7.84
Finland 5.6 83	10	9[illegible]	9[illegible]	0	−0⅛	7.50
Finland 6.8 88	10	92⅛	93⅛	−0⅛	−0½	8.06

OTHER STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Nordic I. Bk. 8 84 SDR	20	84½	88½	+0⅛	−0⅛	9.25
Auto Cote B. 7 93 EUA	15	91⅛	93	+0⅛	0	7.81
Komm. Inst. 7½ 93 EUA	15	97⅛	98⅛	0	0	7.71
Panama 8⅛ 93 EUA	20	194	95⅛	0	0	8.80
SOFTE 8⅛ 89 EUA	40	98⅛	98⅞	+0⅛	0	8.48
Algemene Bk. 6⅛ 83 Fl	75	95⅛	96½	0	+0⅛	7.38
CFE Mexico 7⅛ 83 Fl	75	97⅛	98⅛	0	−0⅛	8.27
EIB 7⅛ 85 Fl	75	94⅛	95⅛	0	0	8.27
Ned. Middbk. 8⅛ 84 Fl	75	99⅛	100⅛	0	−0⅛	8.18
New Zealand 8⅛ 84 Fl	75	94⅛	94⅞	0	−0⅛	8.08
Norway 8⅛ 84 Fl	100	100⅛	101⅛	+0⅛	+0⅛	7.93
Elf Aquitaine 9⅛ 88 FFr	150	98⅛	99⅛	0	−0⅛	9.92
EIB 9⅛ 88 FFr	200	99	99⅛	−0⅛	−0⅛	9.85
Norway 9⅛ 84 FFr	200	99⅛	99⅞	−0⅛	−0⅛	9.37
PSA Peugeot 9⅛ 87 FFr	175	99⅛	99⅛	0	−0⅛	9.85
Solvay et Cie 9⅛ 87 FFr	125	99⅛	99⅛	0	0	9.87
Total Oil 9⅛ 87 FFr	150	97⅛	98	0	−0⅛	9.81
Unilever 10 85 FFr	100	100⅞	101⅛	0	0	9.71
CECA 9⅛ 89 £	20	91	91⅛	−0⅛	−1	11.10
Citicorp 10 93 £	20	90⅛	91⅛	−0⅛	−1½	11.31
EIB 9⅛ 88 £	25	95⅛	96⅛	−0⅛	−1⅛	10.48
Finance for Ind. 13 91 £	15	104⅛	105⅛	−0⅛	−1⅛	12.21
Gen. Elec. Co. 12⅛ 89 £	50	102⅛	102⅛	−0⅛	−1⅛	12.07
BAT 8 88 LuxFr	250	97⅛	98⅛	+0⅛	+0⅛	8.33
Bayer Lux. 8 86 LuxFr	250	97⅛	98⅛	+0⅛	+0⅛	8.34
EIB 7⅛ 88 LuxFr	250	98⅛	97⅛	+0⅛	+0⅛	8.16
Euratom 8 87 LuxFr	500	100	101	+0⅛	−0⅛	7.81
Finland I. F. 8 88 LuxFr	250	97⅛	98⅛	+0⅛	0	8.23
Norway 7⅛ 83 LuxFr	250	97⅛	98⅛	+0⅛	±0⅛	8.31
Norges Km. 8 88 LuxFr	500	98⅛	98⅛	+0⅛	−0⅛	8.19
Oslo, City of 8 89 LuxFr	200	98⅛	99⅛	+0⅛	+0⅛	8.21
Renault 7⅛ 88 LuxFr	500	97⅛	98⅛	0	−0⅛	8.10
Solvay Fin. 8 87 LuxFr	500	101⅛	101⅛	+0⅛	0	7.83
Swedish Bk. 8 88 LuxFr	500	100⅛	101⅛	0	0	7.89

FLOATING RATE NOTES	Spread	Bid	Offer	C.dte	C.cpn	C.yld
Arab Intl. Bank M6.5 83	0⅛	96⅛	97⅛	31/7	11.44	11.78
BFG Fin. Co. M5.5 89	0⅛	98⅛	99	12/7	12.4	12.56
Bco. El Salvador M8 83	1⅛	97⅛	97⅛	12/10	12⅛	12.56
Bco. Nac. Argnt. M8 83	0⅛	99⅛	100⅛	21/7	12⅛	12.23
Bco. Nac. Argnt. 7 86	0⅛	97⅛	98⅛	22/9	11⅛	11.72
Banco Urquijo 8 88	0⅛	97⅛	98⅛	21/9	11⅛	11.76
Bank of Tokyo M5½ 93	0⅛	97⅛	98⅛	18/10	11⅛	11.97
Banque Worms M5⅛ 85	0⅛	98⅛	99	15/6	12	12.15
Bq. E. d'Alg. M8.375 84	0⅛	97	97⅛	9/8	11⅛	[illegible]
Bq. Ext. d'Alg. M7.5 85	0⅛	95⅛	96⅛	2/6	12⅛	[illegible]
Bq. Indo et Suez M5⅛	0⅛	99⅛	99⅛	25/7	12	12.05
Bq. I. Af. Occ. M6.5 83	0⅛	98⅛	98⅛	12/7	12.4	12.60
BNP 5⅛ 91	0⅛	97⅛	98⅛	22/2	11⅛	11.61
CCCE M5.25 98	0⅛	97⅛	97⅛	3/8	11⅛	11.67
Ch. Man. O/S M5⅛ 93	0⅛	98⅛	98⅛	27/7	11.73	11.90
Citicorp O/S Fin. 6 94	0⅛	99⅛	99	8/6	11.06	11.12
Credit National M5⅛ 88	0⅛	98⅛	99	11/7	12.31	12.47
Gotabanken M6 88	0⅛	98⅛	99⅛	15/5	12.31	12.47
Ind. Bk. Japan M5⅛ 85	0⅛	99⅛	100⅛	1/6	12.35	12.35
Ljubljanska M7.75 85	1	97⅛	98⅛	18/7	12.94	13.24
LTCB Japan M5⅛ 85	0⅛	99⅛	99⅛	9/5	12.06	12.12
Midland Intl. M5⅛ 93	0⅛	98⅛	99⅛	20/7	12⅛	12.37
Nin. Crdt. Bk. M5.5 85	0⅛	99⅛	100⅛	22/6	12.81	12.80
OKB M5⅛ 88	0⅛	99⅛	99⅛	18/10	11.44	11.51
Offshore Mining 86	0⅛	99⅛	99⅛	19/7	12.19	12.25
Petro Mexicano 7⅛ 84	0⅛	98⅛	99⅛	24/7	12.06	12.17
Privredna Banka M8 88	0⅛	96⅛	97⅛	22/5	13.44	13.89
Standard Chrt. M5.5 90	0⅛	97½	98	10/8	11.56	11.[illegible]
Sundsvallsbnkn. M6 85	0⅛	97½	98	4/10	11.06	11.32
Texas Int. Air. M7 86	0⅛	98	98⅛	11/10	11⅛	11.[illegible]
Utd. Overs's Bk. M6 89	0⅛	97⅛	98⅛	29/9	11.14	11.36

CONVERTIBLE BONDS	Cnv. date	Cnv. price	Bid	Offer	Chg. day	Prem
Asics 5⅛ 93	9/78	628	88⅛	89⅛	+1⅛	6.49
Baker Int. Fin. 5½ 93	1/79	34	117⅛	118⅛	−0⅛	0.72
Boots 6⅛ 93	2/79	2.16	111⅛	112⅛	−0⅛	−4.83
Ciba-Geigy O/S F. 4 94	9/79	675	93	93⅛	+0⅛	17.43
Coca-Cola Bottling 6⅛	4/78	9	90⅛	91½	−0⅛	19.04
Esselte 7⅛ 89	9/79	159	97⅛	98	−0⅛	3.81
Honda Motor 5½ 89	5/79	532	101⅛	102⅛	+1⅛	−3.93
Ito-Yokado 5⅛ 93	6/78	1339	107⅛	108⅛	−0⅛	0.37
Novo Industri 7 89	4/79	259	87⅛	89	0	7.64
Texas Int. Air. 7½ 93	4/79	14.5	89	89⅛	−0⅛	17.65
Thorn Int. Fin. 7 88	11/78	3.67	133⅛	134⅛	−0⅛	−2.18
Tyco Int. Fin. 8⅛ 88	8/78	21	103⅛	104⅛	0	13.89
Asahi Optical 3½ DM	12/78	588	91	92⅛	+0⅛	7.16
Casio Co. 3½ 85 DM	11/78	841	92⅛	93⅛	+0⅛	14.56
Izumiya 3½ 86 DM	10/78	989	88⅛	89⅛	−0⅛	−1.79
Jusco 3½ 86 DM	1/79	1154	86⅛	86⅛	0	24.02
Kansai Elec. 4 84 DM	4/78	1350	89⅛	90⅛	−0⅛	33.51
Konishiroku 3½ 85 DM	1/79	612	91⅛	92⅛	+0⅛	18.46
Maruda Food 3⅛ DM	2/79	1033	85⅛	86⅛	+0⅛	32.37
Murata M. 3½ 86 DM	11/78	654	95⅛	96⅛	+0⅛	−0.81
Nipp. Air. 3.5 88 DM	12/78	508	84⅛	85⅛	0	8.24
Nippon Ysn. 3⅛ 85 DM	1/79	251	91⅛	92⅛	0	8.40
Nissan Diesl. 3⅛ 86 DM	2/79	477	93	94	+1⅛	10.85
Olymp. Ont. 3⅛ 85 DM	2/79	703	98⅛	99⅛	0	2.27
Ricoh 3⅛ 86 DM	10/78	617	92⅛	93⅛	+0⅛	18.17
Sharp Co. 3½ 88 DM	2/78	487	95⅛	96⅛	+0⅛	10.70
Stanley Elec. 3½ DM	11/78	623	89⅛	90⅛	−0⅛	24.47
Tokyo Elec. 3¼ 87 DM	4/78	476	93⅛	94⅛	−0⅛	17.46
Tokyu Ld. Co. 4 86 DM	4/78	493	87⅛	88⅛	0	11.47
Trio-Knwd. 3½ 86 DM	11/78	711	86	87	0	11.27

* No information available—previous day's price.
† Only one market maker supplied a price.

Change on week=Change over price a week earlier.

Straight Bonds: The yield is the yield to redemption of the mid-price; the amount issued is in millions of currency units except for Yen bonds where it is in billions.

Floating Rate Notes: Denominated in dollars unless otherwise indicated. M=minimum coupon. C.dte=Date next coupon becomes effective. Spread=Margin above six-month offered rate for U.S. dollars. C.cpn=The current coupon. C.yld=The current yield.

Convertible bonds: Denominated in dollars unless otherwise indicated. Chg. day=Change on day. Cnv. date=First date for conversion into shares. Cnv. price=Nominal amount of bond per share expressed in currency of share at conversion rate fixed at issue. Prem=Percentage premium of the current effective price of acquiring shares via the bond over the most recent price of the shares.

Petrogal fears earnings setback

BY JIMMY BURNS IN LISBON

PETROGAL, the Portuguese nationalised oil company, has warned that its sales and earnings in 1979 could be seriously jeopardised by the continuing lack of a clear government policy for the energy sector.

Introducing the company's annual report yesterday, Petrogal's chairman, Sen. Carlos Correa Gago, said that his sector was particularly "sensitive" to the absence of a medium-term development plan. The plan was shelved last year following the collapse of the Socialist-Conservative governing alliance and the ensuing political crisis.

Sen. Gago urged the Government to give greater support to both onshore and offshore oil prospecting and to undertake as soon as possible the long overdue repair to Portugal's two major refineries at Leixoes in Northern Portugal and Sines, south of Lisbon, both of which were damaged by storms at the end of last year.

Sen. Gago said that damage incurred by the deep-water port at Sines was making Es 100bn worth of investment virtually inoperative and was threatening pending contracts with international companies.

The company's net profits in 1978 dropped to Esc 29bn ($593m) compared to Esc 60bn in 1977, largely on account of a restricted domestic economic activity and the continuing international recession.

Investments planned for 1979 include the revamping of a cracking unit at the Cabo Ruivo Petrogal Lisbon refinery and the stepping up of onshore prospecting in collaboration with Shell, Prospex.

According to Sen. Gago, Petrogal was negotiating a technical assistance contract with the Angolan Government. He added that he was optimistic that some of the negative effects of the latest oil price increases and the crisis in Iran could be compensated this year.

Although Iran supplied 21 per cent of Portugal's oil imports last year, Sen. Gago confirmed that his company had already secured sufficient contracts to cover domestic needs until the end of 1979.

Petrogal would increase its refining operation to deal with processing orders from abroad. Refinery at Sines which went on stream in January, was running at only 55 per cent of its total capacity.

Sen. Gago hoped that by next year this figure could be increased to over 70 per cent.

Payout raised by Dutch insurance group

By Charles Batchelor in Amsterdam

NATIONALE-NEDERLANDEN, Holland's largest insurance company, yesterday announced faster profit growth in 1978, although total revenues increased at a slower rate than the yearthe year before. It proposes increasing its dividend from Fls 4.75 to Fls 5.50 per Fls 10 nominal shares.

Net profit rose 21 per cent to Fls 248.3m ($120m) after the 15 per cent increase in 1977. Total revenue was 9 per cent higher at Fls 5.85bn ($2.84bn compared with the 12 per cent rise of the year before.

After the interim payment of Fls 2.40 the final is payable as Fls 3.10 in cash or as Fls 0.33 in shares from the premium reserve. Profit per share, adjusted for the one for 10 rights issue made last year, rose 10.5 per cent to Fls 18.09.

NN's gross profit rose 16 per cent to Fls 692m. It paid Fls 338.6m as profit participation to policy holders; Fls 96m tax and Fls 9.1m to outside shareholders' interests.

Life premium income rose 6 per cent in 1978 compared with 8.5 per cent the year before while non-life income was 5 per cent higher (11 per cent). The slowdown in the rate of growth was mainly caused by the depreciation of the dollar and sterling against the guilder.

International business continued to account for 36 per cent of total revenue. Total life insurance business in force rose by 9 per cent to more than Fls 91bn.

The life insurance result accounted for Fls 141.9m of group profit (Fls 132.2m in 1977). The non-life result rose to Fls 72.8m from Fls 49.5m, partly due to a better outcome of fire and motor insurance, while profit from professional reinsurance rose to Fls 7.2m from Fls 5m. After interest the balance of investments and other activities rose to Fls 131.5m from Fls 107.2m.

Bic resumes profit growth

BY DAVID WHITE IN PARIS

BIC, the makers of disposable ballpoints, razors and cigarette-lighters, resumed profit growth last year with a 26 per cent increase in group net earnings to FFr 168m ($39.5m) and indicated it would have done better with stable currency conditions.

In 1977, group results dropped slightly because of the weight of heavy investment to launch Bic into the throwaway razor business.

Bic's worldwide sales growth slowed last year from 11 per cent to 8 per cent as turnover rose to FFr 2.11bn ($497m). The company said the rise would have been 15 per cent without exchange rate fluctuations and that parent company net profit would have shown a 49 per cent increase.

As it was, parent company results were 42 per cent up at FFr 130m, and the proposed dividend is 29 per cent higher at a net FFr 11 compared with FFr 8.505 the year before.

Bic is asking shareholders to authorise a FFr 150m bond issue. Sales picked up more strongly in the first quarter of this year, showing a 13 per cent rise for the group compared with the same period last year. At steady exchange rates, Bic said, the rate would have been 18 per cent.

Improvements in sales and profits were particularly marked at Diroco, a holding company bringing together France's two leading makers of women's tights, Dim-Rosy and Colroy. Net earnings doubled to FFr 54m last year on sales which increased to FFr 696m from FFr 631m. Baron Marcel Bich, founder and chairman of the group, announced last year that he planned to incorporate his personal holding in Diroco into the group once this side of the business was financially secure.

* * *

MANUFRANCE, the near-bankrupt French retailing and manufacturing group, suffered a blow to its hopes of survival yesterday, when M. Maurice Biderman, the head of one of the country's largest textile groups, abandoned his plans to come to its rescue, writes Terry Dodsworth.

M. Biderman, a takeover specialist, added that the projects now existing for keeping Manufrance afloat were "realisable." But the spread of Manufrance's activities did not fit in with his plans to diversify his own group.

Hopes of reviving Manufrance, a St. Etienne-based group with interests spreading from publishing and mail-order to small arms and bicycle manufacturing, now rest mainly on plans to attract investment from the public authorities.

MoDo first quarter confirms recovery

BY VICTOR KAYFETZ IN STOCKHOLM

FIRST QUARTER results of MoDo, the Swedish pulp and paper company, confirm last month's forecast of a major recovery from the losses incurred in 1978.

Writing in the annual report, managing director, Mr. Matts Carlgren, also explains that MoDo is considering a possible expansion of its fine paper making plant at Husum.

Rising sales and prices resulted in a recovery last year at the pulp-making company MoDoCell which recorded a loss of SKr 8m on turnover of SKr 1.2bn. The company expects a strong further improvement during 1979. MoDo had satisfactory earnings and a strong market position in uncoated wood-free writing and printing paper, at which it is Europe's largest producer. Earnings on soft paper are improving Mr. Carlgren added.

"The next major expansion of capacity may be a new paper machine at Husum. Our calculations show that this is the most interesting aggressive investment MoDo may face in the future" the managing director writes.

But he said that first, MoDo must reduce the burden of debts originating from the 1977 and 1978 losses and heavy investments dating from 1973-1977. "This should be possible in sizeable amounts during 1979 and hopefully also 1980."

Last year MoDo recorded net financial losses of SKr 169m, a slight improvement against SKr 182m in 1977. As reported earlier, on the basis of the expected strong upturn in earnings the board recommends a dividend of SKr 2.50 per share. The company passed the dividend last year and paid SKr 6.50 for 1976.

EDF dips back into losses

By Our Financial Staff

A BIG slump back into losses is reported by Electricite de France, the French state electricity company.

At the net level, the company has incurred a loss of FFr 2.01bn ($460m) compared to a profit of FFr 679m in 1977.

Net sales last year rose to FFr 41.6bn from FFr 36.2bn, an increase of 15 per cent. But the higher turnover was not sufficient to offset a sharp decline in operating profits which fell to FFr 33m from FFr 1.01bn.

Share sales boost Rolinco cash holdings

By Our Amsterdam Correspondent

ROLINCO, THE Dutch share investment fund, nearly doubled its cash holdings in the first two months of 1979 when the major stock markets failed to react to signs of accelerating inflation. It made sales in all countries in which it has invested, with the exception of the U.S., and increase its cash position to 13 per cent from the low of 6.7 per cent at the end of December.

In the six months to March 1, Rolinco, which is part of the Robeco group of funds, made purchases in the technological and energy sectors of U.S. stocks.

In Europe, Rolinco was particularly active in Germany, where net sales amounted to Fl 26m. It sold Muenchener Rueck, Schering and Siemens. In France it added a gold-linked state loan to its portfolio.

In Japan, purchases were initially made but when prices reached new highs sales of more than Fl 62m were made, including Canon, Hitachi and Mizuno Sporting.

Offerings of Rolinco shares exceeded demand and the company bought in 4.7 per cent of its shares or nearly 852,000. Net assets totalled Fl 2.23bn ($1.11bn) on March 1.

Taking into account the 5 per cent scrip issue made in December the market price fell 8 per cent over the six months to Fl 125 at the end of February.

Upturn at Alfa-Laval better than first reports

BY OUR STOCKHOLM CORRESPONDENT

ALFA-LAVAL, the Swedish farm, dairy and industrial equipment group, said in its annual report that pre-tax profit for 1978 was SKr 321m ($73.4m), or SKr 1m higher than stated in the preliminary report two months ago. Turnover was SKr 4.99bn ($1.14bn) or SKr 10m above the preliminary figure.

In 1977, pre-tax profit was SKr 287m on sales of SKr 4.21bn.

The group remains optimistic about prospects in 1979 for "earnings well on the level with those of 1978."

The agricultural section, which last year accounted for 31 per cent of Alfa-Laval sales, expects turnover to continue increasing, but toward the end of 1979 the rate of growth will slow down, the annual report predicted. Among innovations being introduced by the section are microcomputer-based systems for individual monitoring and feed-dispensing to each dairy cow.

The industrial section, accounting for 49 per cent of 1978 sales, also expects its turnover to continue growing. A newly-completed thermal engineering plant at Lund, Sweden, will permit a major expansion of Alfa-Laval's product development and manufacturing in this field, the annual report stated.

As reported earlier, the board recommends raising the dividend by SKr 1 to SKr 6 per share.

Peak year for Austrian Airlines

BY PAUL LENDVAI IN VIENNA

AUSTRIAN AIRLINES reports a 9 per cent increase in passenger traffic to 1.24m for 1978 and growth of 13.8 per cent in operating revenues to a peak Sch 2.99bn. Charter operations also were highly satisfactory.

Net profit including carry forward was Sch 62.3m ($4.48m). An unchanged dividend of 4 per cent and bonus of 4 per cent is announced. One of the leading Austrian insurance companies, Wiener Staedtische Versicherung, has taken a minority shareholding in the airline.

Operating revenues from freight were up by 9 per cent and from scheduled flight passenger traffic by 12.3 per cent. Turning to the first quarter of this year, the report concludes that passenger traffic on scheduled flights was up by 6.4 per cent. Adverse weather conditions caused lower growth in January and February but in March the rise in traffic was 8.2 per cent.

Italian store group reduces losses

BY PAUL BETTS IN ROME

LA RINASCENTE, Italy's largest department store and supermarkets group, reduced its losses from L4.9bn in 1977 to L244m ($290,000) last year, the company reported yesterday.

Group sales increased by 14.4 per cent on a year-on-year basis from L663bn to L759bn ($900,000) last year. The company also indicated that there was a continuing upturn in sales with a 19 per cent increase during the first two months of this year compared to the same period in 1978. Sales during the first two months of this year totalled L115bn.

At the same time, the company reported that its long and medium-term debts totalling L27.2bn at the end of last year had been reduced by L4.6bn, compared to 1977.

IFI, the Agnelli family financial company, is the single largest shareholder of La Rinascente.

● IFIL, a financial company controlled by IFI, reported yesterday profits of L2.9bn ($3.44m) last year compared to some L3.3bn the previous year. However, the 1977 profits included some L486m from extraordinary activities.

The company has decided to increase its dividend from L250 to L260 this year as a result of last year's favourable performance and its high level of liquidity.

At the same time, the company proposes to increase its capital from L7bn to L8bn through a scrip issue of one new share for every seven held.

● Esso Italiana, the Italian subsidiary of Exxon, the U.S. oil group, reported losses of L12.2bn ($14.47m) last year compared with a loss of L14.4bn in 1977. Gross sales totalled L2,569bn ($3.04bn) last year compared to L2,424bn the previous year.

Companies and Markets

INTL. COMPANIES

Kiwi in offer for Faulding

BY JAMES FORTH IN SYDNEY

KIWI INTERNATIONAL, the household and pharmaceutical products group, has proposed a takeover bid for the Adelaide-based pharmaceutical supplier, F. H. Faulding. Kiwi has been steadily buying Faulding shares in recent months and has already built up a stake of just over 10 per cent of the capital.

Judging from the initial reaction of the Faulding board, Kiwi faces a stiff battle to acquire total control of the company. In an apparent move to head off Kiwi, the Faulding directors recently announced a one-for-five free scrip issue. However, Kiwi is offering one of its shares plus 95 cents cash for every two Faulding shares on an ex-scrip issue basis.

The directors of Kiwi said they considered that the merging of Faulding into the Kiwi group would enhance the overall profitability of the two groups. Resulting from the merger, opportunities would exist for Faulding products to be marketed overseas, particularly in the South-East Asian area, where Kiwi operates and has factories in Singapore, Malaysia and Indonesia.

The bid values Faulding at about A$10m (U.S.$11.06m). The Kiwi directors said they considered the offer was "more than appropriate" in view of the past performance and earnings of the Faulding group.

Based on recent indications from Faulding of an annual dividend rate of 6.25 cents a share the offer would provide an increased return to Faulding holders of about 44 per cent.

Kiwi said it intended to maintain and strengthen the identity of the Faulding group, particularly its pharmaceutical and ethical drug service operations.

Mr. W. F. Scammell, the chairman of Faulding, said its directors considered that the Kiwi offer was completely unacceptable and did not reflect the sound trading position of Faulding, nor "the exciting prospects for its growth."

The Faulding board said recent moves by the company, including the acquisition of the Melbourne druggist, Rocke Tompsitt, had resulted in a 77 per cent improvement in profit for the first half of 1978-79 but the full benefits would not be realised until the coming financial year.

Mr. Scammell said he would not sell his shares. Together with his family and supporters, he is thought to speak for about 20 per cent of the Faulding capital.

Charles Davis to form property trust

BY OUR SYDNEY CORRESPONDENT

CHARLES DAVIS, the retail and real estate group, plans a A$28m (US$31m) property trust to acquire several of the group's properties. The proposal is along similar lines to a capital reconstruction recently undertaken by the property group, Westfield, which involved the establishment of an A$100m trust and the creation of a holding company with an interest in the trust.

Several other companies have since foreshadowed similar trust structures. The Davis proposal involves the issue of 11m units in its property trust, known as HSD Property Trust, to Charles Davis at A$1 each. A further 17m units will be issued to the public, also at A$1 each, with 6m held for shareholders in Charles Davis.

The public issue will be underwritten by the merchant bank, Tricontinental Corporation. Charles Davis will sell four properties to the trust for A$27.28m, and the units will have an asset backing of 97 cents. The properties are fully let and income earning and have been valued by an independent real estate agent.

The management of the properties will be the responsibility of Hascarda—a company owned by unit holders.

Allied Mills moves sharply ahead

By Our Sydney Correspondent

ALLIED MILLS, the flour, stock feed and margarine manufacturer, has lifted its dividend following a 62 per cent jump in profit from A$2.5m to A$4m (US$4.4m) in the six months to February 28. The interim payout has been raised from 3.75 cents a share to 4.25 cents, and is three times covered by the latest earnings.

The directors said that budgeted profits were attained in most divisions, where generally more stable conditions prevailed. Results had also benefited from the sale of unprofitable assets and activities.

The profit rise was achieved on a sales increase of only 6.3 per cent, from A$125m to A$133m. A factor in the improvement was the end of a price cutting war between the margarine producers, which was largely responsible for a 9 per cent decline in earnings for 1977-78, to A$5.7m. The directors said that they expected the results for the year to show a comparable improvement.

ACI considers taking stake in Overmeyer

By Our Sydney Correspondent

AUSTRALIAN Consolidated Industries (ACI), the major glass and packaging group, is considering acquiring an interest of about 20 per cent in the U.S. group, Overmeyer Corporation of Winchester, Indiana. Overmeyer designs and manufactures mould equipment used in the production of glass containers and in supplying other industries requiring high quality gray and ductile iron castings in the U.S and Europe.

The two companies have already agreed in principle to form a joint venture company in Singapore to produce and the glass container and glass pressware markets in South-East Asia, the Far East and the Pacific area. ACI already has operations in several Asian countries.

The joint venture would upgrade the group's mould-making facilities in South-East Asia and enable sales to other companies in the region. If ACI does take an equity interest in Overmeyer it is expected to be of the order of A$2m.

State aid for Yulsan projects

SEOUL — South Korea will help construction projects worth about $100m in Saudi Arabia and Sri Lanka which were begun by Yulsan, the Korean business group now under liquidation arrangements, Finance Ministry officials said yesterday.

The leader of the Yulsan business group, Mr. Shin Sun-Ho, is in custody suspected of embezzling $22m of corporate funds. The president of the Bank of Seoul and Trust Company, the largest creditor of Yulsan, is also under arrest on suspicion of dereliction of duty in arranging loans to Yulsan.

"According to official figures, the Yulsan Construction Company, a subsidiary of the group, was engaged in about $90m of house and road building projects in Saudi Arabia and a $10m construction project in Sri Lanka.

Finance Minister Mr. Kim Woung-Gie told the National Assembly Financial Affairs Committee yesterday that the Government would initially provide $4.2m to help purchase materials for the projects and to pay wages for about 1,000 company workers. Reuter

Haw Par requests suspension

SINGAPORE — The Stock Exchange of Singapore yesterday suspended trading in the shares of Haw Par Brothers International and Setron at the companies' requests.

The S$1 Haw Par shares closed on Tuesday at S$1.70, while the S$1 par Setron shares closed at S$2.36.

Trading in the shares of the two was also suspended in Hong Kong, pending a possible announcement, the Hong Kong stock exchange said. Reuter

Companies and Markets

CURRENCIES, MONEY AND GOLD

Dollar and pound recover

STERLING AND the dollar had a soft undertone in the foreign exchange market yesterday, although both recovered quite strongly in the afternoon, and the pound showed a slight improvement at the close against major currencies in general. On Bank of England figures the pound's trade weighted index rose to 67.1 from 67.0, after falling to 66.8 in the morning and 66.9 at noon.

Sterling opened at $2.0705-2.0715, and fell to a low point of £2.0700-2.0710, where there may have been some intervention by the Bank of England. By midday the pound had recovered to $2.0760, and it touched a best level of $2.0820-2.0830 in the afternoon. At that time the Federal Reserve may have supported the dollar against other major currencies, and sterling eased to $2.0775-2.0785 at the close, a rise of ½ cent on the day.

The dollar fell to DM 1.8920 against the D-mark from DM 1.8960 previously, and to SwFr 1.7140 from SwFr 1.7170 against the Swiss franc. Earlier in the day the U.S. currency touched DM 1.8805 and SwFr 1.6990. It also fell to Y214.50 against the Japanese yen, before closing at Y216.20, compared with Y215.50 on Wednesday. The dollar's index, as calculated by the Bank of England, fell to 85.5 from 85.6.

The Irish punt rose to $2.0247 from $2.0175 against the dollar, and improved against other members of the EMS. It rose to DM 3.8210 from DM 3.8060 against the D-mark; to FFr 8.7925 from FFr 8.7575 against the French franc; to Fl 4.1385 from Fl 4.1335 against the Dutch guilder; to BFr 60.66 from BFr 60.43 against the Belgian franc; to L1,705.20 from L1,693 against the lira; and to DKr 10.6825 from DKr 10.61 against the Danish krone.

FRANKFURT — The Bundesbank did not intervene when the dollar was fixed at DM 1.8839 against the D-mark, compared with DM 1.8970 previously. The lowest level touched in the morning was DM 1.8825, but by late afternoon the U.S. currency had improved to DM 1.8870. The early weakness of the dollar may have reflected scepticism in the market at a dollar valued above DM 1.90, while the decline of sterling may have been a technical factor, through the selling of sterling to buy D-marks and Swiss francs via the dollar.

MILAN—The dollar fell to L841.80 from L843.45 at the fixing, and sterling declined to L1,752.70 from L1,754. The D-mark rose to L446.98 from L444.45, while other EMS currencies and the Swiss franc were also firm.

TOKYO—The dollar fell to Y215.72½ against the yen from Y217.57½ on Wednesday. The close was slightly above the opening level of Y215.30 however, after the Bank of Japan had given slight support to the yen by selling about $30m. News of a cut in U.S. gold sales and the lack of tighter credit by the Federal Reserve tended to depress the U.S. currency, although there still seemed to be an underlying demand for dollars in Japan.

THE POUND SPOT AND FORWARD

April 19	Day's spread	Close	One month	% p.a.	Three months	% p.a.
U.S.	2.0700-2.0830	2.0775-2.0785	0.30-0.20c pm	1.46	0.77-0.67 pm	1.39
Canada	2.3625-2.3825	2.3760-2.3770	0.30-0.20c pm	1.26	0.75-0.65 pm	1.13
Nethlnd.	4.23-4.27	4.25-4.26	2-1c pm	4.23	5¼-4¼ pm	4.45
Belgium	61.95-62.60	62.35-62.45	25-15c pm	3.85	73-63 pm	4.36
Denmark	10.89-10.97	10.93¾-10.94¾	3-1ore pm	2.19	5½-3½ pm	1.62
Ireland	1.0215-1.0300	1.0205-1.0255	8-18p dis	−1.52	40-55 dis	−1.04
W. Ger.	3.90-3.94	3.93-3.94	2¼-1¼pf pm	6.10	7-6 pm	6.61
Portugal	100.80-101.70	101.00-101.30	50-110c dis	−9.49	140-240 dis	−7.57
Spain	141.40-142.20	141.75-141.85	50-120c dis	−7.19	125-225 dis	−4.93
Italy	1,742-1,753	1,751½-1,752½	1½lire pm-¾lire dis	0.03	2 pm-par	0.23
Norway	10.60½-10.69½	10.66-10.67	3-1ore pm	2.25	7¼-5¼ pm	2.34
France	8.99-9.05	9.02¾-9.03¾	4-3c pm	4.65	10-9 pm	4.20
Sweden	9.06-9.12	9.09¾-9.10¾	2¼-1¼ore pm	1.98	6¾-4¾ pm	1.53
Japan	444-451	449-450	2.60-2.35y pm	6.60	7.40-7.15 pm	6.47
Austria	28.65-28.85	28.78-28.83	25-15gro pm	8.33	50-40 pm	6.25
Switz.	3.53-3.57	3.66-3.67	3⅝-2⅝c pm	10.62	10-9 pm	10.66

Belgium rate is for convertible francs. Financial franc 63.40-63.50. Six-month forward dollar 1.30-1.10c pm; 12-month 1.85-1.75c pm

THE DOLLAR SPOT AND FORWARD

April 19	Day's spread	Close	One month	% p.a.	Three months	% p.a.
UK†	2.0700-2.0830	2.0775-2.0785	0.30-0.20c pm	1.44	0.77-0.67 pm	1.39
Ireland†	2.0230-2.0300	2.0230-2.0280	0.75-0.50c pm	3.70	1.85-1.60 pm	3.43
Canada†	87.40-87.56	87.40-87.45	0.06½-0.03c pm	0.65	0.10-0.06 pm	0.37
Nethlnd.	2.0425-2.0460	2.0430-2.0450	0.60-0.50c pm	3.23	1.63-1.53 pm	3.09
Belgium	29.93½-30.02	29.99-30.02	8½-7½c pm	3.20	23-21 pm	2.87
Denmark	5.2600-5.2670	5.2650-5.2665	0.80-0.30ore pm	1.25	0.65-0.15 pm	0.91
W. Ger.	1.8830-1.8900	1.8880-1.8890	0.88-0.76pf pm	5.15	2.52-2.42 pm	5.23
Portugal	48.60-48.90	48.75-48.85	40-60c dis	12.29	100-105 dis	10.06
Spain	68.25-68.45	68.35-68.40	30-40c dis	6.14	75-35 dis	3.68
Italy	841.45-842.60	842.10-842.60	0.70-1.10lire dis	0.13	2.40-2.90 dis	0.12
Norway	5.1145-5.1325	5.1310-5.1320	0.80-0.30ore pm	1.29	1.60-1.10 pm	1.05
France	4.3400-4.3480	4.3440-4.3470	1.15-1.05c pm	3.04	3.00-2.80 pm	2.77
Sweden	4.3745-4.3800	4.3790-4.3800	0.60-0.40ore pm	1.37	1.65-1.45 pm	1.41
Japan	216.40-215.80	215.60-215.80	1.00-0.90	5.28	2.70-2.60	4.91
Austria	13.82-13.87	13.85¼-13.86¼	6¾-5½	6.03	16½-16½	6.05
Switz.	1.7035-1.7110	1.7100-1.7110	1.30-1.20	8.76	4.00-3.90	9.24

† UK, Ireland and Canada are quoted in U.S. currency. Forward premiums and discounts apply to the U.S. dollar and not to the individual currency.

CURRENCY RATES

April 18	Bank rate %	Special Drawing Rights	European Currency Unit
Sterling	12	0.613447	0.641653
U.S. $	9½	1.27689	1.33551
Canadian $	11¼	1.45783	1.53281
Austria Sch.	3¾	17.7776	18.5929
Belgian F.	6	38.4376	40.1899
Danish K.	8	6.75219	7.05861
D mark	4	2.42226	2.53290
Guilder	6½	2.62656	2.74687
French Fr.	9½	5.67011	5.82364
Lira	10½	Unavail.	1126.25
Yen	3½	277.851	289.454
Nrwgn. K.	7	6.54917	6.85032
Spanish Pes.	8	87.4287	91.4355
Swedish Kr.	6½	5.60069	5.86625
Swiss Fr.	1	2.19319	2.29336

CURRENCY MOVEMENTS

Apr. 19	Bank of England Index	Morgan Guaranty changes %
Sterling	67.1	−37.5
U.S. dollar	85.5	−8.4
Canadian dollar	82.7	−14.9
Austrian schilling	145.9	+19.3
Belgian franc	113.7	+14.0
Danish kroner	116.8	+6.0
Deutsche Mark	149.5	+40.7
Swiss franc	193.6	+79.9
Guilder	124.2	+20.1
French franc	98.9	−6.5
Lira	54.8	−48.8
Yen	134.1	+32.6

Based on trade weighted changes from Washington agreement December, 1971 (Bank of England Index=100).

OTHER MARKETS

Apr. 19	£	$		£ Note Rates
Argentina Peso	2462-2482	1185-1195	Austria	28½-29½
Australia Dollar	1.8730-1.8770	0.9018-0.9037	Belgium	63-64
Brazil Cruzeiro	47.46-48.46	22.85-23.35	Denmark	10.90-11.00
Finland Markka	8.29-8.31	3.9916-4.0000	France	8.97-9.07
Greek Drachma	75.971-77.810	36.58-37.46	Germany	3.85-3.95
Hong Kong Dollar	10.706-10.760	5.1540-5.1785	Italy	1,725-1,765
Iran Rial	144.0-159.0	72-75	Japan	445-455
Kuwait Dinar (KD)	0.569-0.579	0.2775-0.2776	Netherlands	4.20-4.30
Luxembourg Frc.	62.35-62.45	30.01-30.03	Norway	10.60-10.70
Malaysia Dollar	4.6075-4.6200	2.2185-2.2245	Portugal	96-102
New Zealand Dlr.	1.9780-1.9840	0.9525-0.9550	Spain	140.75-143.75
Saudi Arab. Riyal	6.84-7.04	3.3775-3.3785	Switzerland	3.50-3.60
Singapore Dollar	4.5710-4.6710	2.2010-2.2480	United States	2.0775-2.0875
Sth. African Rand	1.76-1.77	0.8475-0.8520	Yugoslavia	42-44

Rate given for Argentina is free rate.

EMS EUROPEAN CURRENCY UNIT RATES

	ECU central rates	Currency amounts against ECU April 18	% change from central rate	% change adjusted for divergence	Divergence limit %
Belgian Franc	39.4582	40.1896	+1.85	+1.39	±1.53
Danish Krone	7.08592	7.06605	−0.28	−0.75	±1.635
German D-mark	2.51064	2.52731	+0.66	+0.20	±1.1325
French Franc	5.79831	5.82045	+0.38	−0.08	±1.35
Dutch Guilder	2.72077	2.74148	+0.76	+0.30	±1.5075
Irish Punt	0.662638	0.662008	−0.10	−0.56	±1.665
Italian Lira	1148.15	1129.54	−1.62	−1.62	±4.0725

Changes are for ECU, therefore positive change denotes a weak currency. Adjustment calculated by Financial Times.

EXCHANGE CROSS RATES

Apr.	PoundSterling	U.S. Dollar	Deutschem'k	Japan'se Yen	FrenchFranc	Swiss Franc	Dutch Guild'r	Italian Lira	Canada Dollar	Belgian Franc
Pound Sterling	1.	2.078	3.936	449.5	9.035	3.565	4.265	1762.	2.377	62.40
U.S. Dollar	0.481	1.	1.894	216.5	4.347	1.716	2.046	843.2	1.144	30.03
Deutschemark	0.254	0.528	1.	114.2	2.295	0.906	1.081	446.3	0.604	15.86
Japanese Yen 1,000	2.225	4.623	8.754	1000.	20.09	7.931	9.466	3898.	5.287	138.8
French Franc 10	1.107	2.301	4.356	497.5	10.	3.947	4.711	1940.	2.631	69.08
Swiss Franc	0.281	0.583	1.104	126.1	2.534	1.	1.194	491.5	0.667	17.50
Dutch Guilder	0.235	0.488	0.925	105.6	2.123	0.838	1.	411.8	0.559	14.67
Italian Lira 1,000	0.571	1.186	2.246	256.5	5.155	2.035	2.428	1000.	1.356	35.61
Canadian Dollar	0.421	0.874	1.656	189.1	3.801	1.500	1.790	737.5	1.	26.26
Belgian Franc 100	1.603	3.330	6.306	720.4	14.48	5.715	6.819	2806.	3.808	100.

EURO-CURRENCY INTEREST RATES

The following nominal rates were quoted for London dollar certificates of deposit: One-month 10.30-10.20 per cent; three months 10.40-10.30 per cent; six months 10.60-10.50 per cent; one year 10.40-10.50 per cent.

Apr. 19	Sterling	U.S. Dollar	Canadian Dollar	Dutch Guilder	Swiss Franc	West German Mark	French Franc	Italian Lira	Asian $	Japanese Yen
†Short term	N.A.	10⅛-10⅜	9⅞-10⅛	6¼-6⅝	1⅛-1⅝	4⅛-4⅞	6⅞-7⅛	10-11	—	3⅛-3⅝
7 day's notice	N.A.	10⅛-10⅜	9⅞-10⅛	6¼-6⅝	1⅛-1⅝	4⅞-5	6⅞-7⅛	10½-11½	10⅛-10⅛	3½-5
Month	11⅞-12¼	10[illegible]-10[illegible]	10[illegible]-10[illegible]	6¾-7	1-1⅛	5[illegible]-5⅛	7⅛-7⅜	11-12	10[illegible]-10[illegible]	4[illegible]-5[illegible]
Three months	12-12⅜	10[illegible]-10[illegible]	10⅝-11	7⅛-7⅜	[illegible]	5¼-5⅝	7⅜-7⅝	11½-12½	10⅝-[illegible]	5[illegible]-5[illegible]
Six months	11[illegible]-12[illegible]	10[illegible]-10[illegible]	10⅝-11	7¼-7⅛	1⅝-1⅞	5½-5[illegible]	8⅜-8⅝	12-13	10[illegible]-10[illegible]	5½-5[illegible]
One year	11⅜-11⅞	10⅛-10¾	10[illegible]-10[illegible]	7⅛-7¼	2⅛-2¼	5⅝-5[illegible]	9-9¼	12¼-13¼	10[illegible]-10[illegible]	5[illegible]-6[illegible]

Long-term Eurodollar deposits: Two years 10⅝-10¾ per cent; three years 10⅜-10⅝ per cent; four years 10⅜-10⅝ per cent; five years 10-10⅛ per cent nominal closing rates. Short-term rates are call for sterling, U.S. dollars and Canadian dollars; two-day call for guilders and Swiss francs. Asian rates are closing rates in Singapore.

INTERNATIONAL MONEY MARKET

Amsterdam rates easier

Interest rates for short periods showed a decline yesterday with call money at 6½-6¾ per cent from 6¾-7 per cent and one-month money at 7-7¼ per cent compared with 7¼-7½ per cent previously. However, dealers were pessimistic over the possibility of the Central Bank renewing its special loan facility when the present agreement expires today. Consequently, money is expected to be short today when the repayment of the present loan facility, amounting to some Fl 870m, is due. Three-month money was unchanged at 7⅛-7⅜ per cent with six-month money static at 7¼-7½ per cent.

FRANKFURT — Interbank money rates were mixed where changed with call money easing to 5.10-5.20 per cent from 5.15-5.25 per cent and one-month money unchanged at 5.40-5.45 per cent. However, the three-month rate was firmer at 5.60-5.65 per cent against 5.55-5.60 per cent while six-month money was quoted at 5.75-5.85 per cent compared with 5.75-5.80 per cent. The 12-month rate was unchanged at 6.00-6.10 per cent.

NEW YORK—Federal funds were trading at 10-10⅛ per cent, little changed from Wednesday, while Treasury bills were quoted lower at 9.25 per cent for 13-weeks and 9.34 per cent for 26-weeks.

BRUSSELS — Deposit rates for the Belgian franc (commercial) showed little change yesterday with one-month deposits at 7½-7¾ per cent unchanged from Wednesday, and three-month deposits at 7¾-8½ per cent. The six-month rate was also unchanged at 8⅛-8⅜ per cent while 12-month deposits were quoted at 8⅛-8⅜ per cent against 8¼-8½ per cent.

PARIS—Money market rates were unchanged from Wednesday from 7 per cent for call money through to 7⅝-7⅞ per cent for one year money.

HONG KONG—Conditions in the money market were initially tight, but eased during the afternoon with call money at 12½ per cent and overnight business dealt at 12 per cent.

GOLD

Further rise

Gold rose $2½ to $240-240¾ in fairly active trading. It opened at $239½-240½, the lowest level of the day, and touched a high point of $241½-242. Shortly after the London close, the metal fell to $239-239½ in New York. The krugerrand's premium over its gold content rose to 9.83 per cent from 7.20 per cent for domestic delivery, and to 3.69 per cent from 2.68 per cent in the international market.

In Paris the 12½ kilo gold bar was fixed at FFr 33,900 per kilo ($242.95 per ounce) in the afternoon, compared with FFr 33,900 ($242.73) in the morning, and FFr 33,650 ($239.92) Wednesday afternoon.

In Frankfurt the 12½ kilo bar was fixed at DM 14,640 per kilo ($241.75 per ounce) compared with DM 14,320 ($234.76) previously.

	Apr. 19	Apr. 18
Gold Bullion (fine ounce)		
Close	$240-240¾ (£115.5-115.8)	$237⅛-238¼ (£114.6-114.9)
Opening	$239½-240¼ (£115.6-116)	$233¾-234½ (£113.1-112.4)
Morning fixing	$241.00 (£116.161)	$234.50 (£112.784)
Afternoon fixing	$240.90 (£115.678)	$233.20 (£112.331)
Gold Coins, domestically		
Krugerrand	$262-265 (£126-128)	$253-257 (£122-124)
New Sovereigns	$66½-68½ (£30-32)	$64¼-66¼ (£31-32)
Old Sovereigns	$75¾-77¾ (£36½-37½)	$74-76 (£35¾-36¾)
Gold Coins, internationally		
Krugerrand	$248¼-250¼ (£119½-120½)	$243¼-245¼ (£117½-118½)
New Sovereigns	$62¼-64¼ (£30-31)	$61-63 (£29½-30½)
Old Sovereigns	$75¼-77¾ (£36½-37½)	$74-76 (£35¾-36¾)
$20 Eagles	$349-354	$335½-340½
$10 Eagles	$187-192	$185-190
$5 Eagles	$127-132	$126-131

UK MONEY MARKET

Exceptionally large assistance

Day to day credit remained in short supply yesterday and the authorities gave an exceptionally large amount of assistance to relieve the shortage. This comprised moderate purchases of Treasury bills and a small number of corporation bills all direct from the discount houses. The authorities also lent a very large amount to seven or eight houses at MLR for repayment today. The market was faced with a very large excess of revenue transfers to the Exchequer over Government disbursements and a fairly large net take-up of Treasury bills to finance. There was also the repayment of a moderate amount of official market advances.

On the other hand there was a moderate decrease in the note circulation. Discount houses were paying around 11¾ per cent for secured call loans at the start and closing balances were taken anywhere between 11½ per cent and 13 per cent.

In the interbank market overnight loans opened at 11¾-12½ per cent and rose to 12½-13 per cent before touching 17½-20 per cent in mid-afternoon. By 3 p.m. however rates had fallen back to 10-12 per cent with closing balances taken in the region of 13 per cent.

Rates in the table below are nominal in some cases.

LONDON MONEY RATES

Apr. 19 1979	Sterling Certificate of deposit	Interbank	Local Authority deposits	Local Auth. negotiable bonds	Finance House Deposits	Company Deposits	Discount market deposit	Treasury Bills ♦	Eligible Bank Bills ♦	Fine Trade Bills ♦
Overnight	—	10-20	—	—	—	12⅛	11⅛-12	—	—	—
2 days notice	—	—	11⅞-12⅛	—	—	—	—	—	—	—
7 days or	—	—	—	—	—	12⅜-12⅛	11⅞	—	—	—
7 days notice	—	11⅞-12⅛	12-12⅛	—	12⅛	12⅛	11⅜	11[illegible]-11[illegible]	11⅞-11[illegible]	12¼
One month	11[illegible]-11¾	11[illegible]-11[illegible]	11¾-11⅞	11⅞-12¼	12½	—	11½	11⅜	11[illegible]-11[illegible]	12⅜
Two months	11[illegible]-11[illegible]	11[illegible]-11[illegible]	—	11½-11⅞	12⅜	11½	11⅝	11½	11⅛	12
Three months	11[illegible]-11[illegible]	11⅝-11¾	11½-11¾	11-11⅛	12⅞	—	—	—	10¾-10½	11¾
Six months	11[illegible]-11[illegible]	11⅜-11½	11¼-11⅜	10⅛-10¾	[illegible]	—	—	—	—	—
Nine months	11[illegible]-10[illegible]	11⅛-11¼	—	10¾-11⅛	11¾	—	—	—	—	—
One year	10[illegible]-10[illegible]	11[illegible]-11[illegible]	10⅞-11	10¾-11⅛	11½	—	—	—	—	—
Two years	—	—	11¼-11⅜	—	—	—	—	—	—	—

Local authority and finance houses seven days' notice, others seven days' fixed. * Long-term local authority mortgage rates nominally three years 11⅞-11⅞ per cent; four years 11¾-11⅞ per cent; five years 11⅞-12 per cent. ♦ Bank bill rates in table are buying rates for prime paper. Buying rates for four-month bank bills 11⅝-11¾ per cent; four-month trade bills 12 per cent.

Approximate selling rates for one-month Treasury bills 11[illegible]-11[illegible] per cent; two-month 11¼-11[illegible] per cent; three-month 11[illegible]-11[illegible] per cent. Approximate selling rate for one-month bank bills 11¾-11[illegible] per cent; two-month 11[illegible]-11[illegible] per cent; and three-month 11[illegible] per cent; one-month trade bills 12⅛ per cent; two-month 12 per cent; and three-month 11⅞ per cent.

Finance Houses Base Rates (published by the Finance Houses Association) 13 per cent from April 1, 1979. Clearing Bank Deposit Rates for small sums at seven days' notice 9-9½ per cent. Clearing Bank Rates for lending 12 per cent. Treasury Bills: Average tender rates of discount 11.3802 per cent.

MONEY RATES

NEW YORK

Prime Rate	11.25-11.75
Fed Funds	10.0625
Treasury Bills (13-week)	9.25
Treasury Bills (26-week)	9.34

GERMANY

Discount Rate	4
Overnight Rate	5.15
One month	5.425
Three months	5.625
Six months	5.80

FRANCE

Discount Rate	9.5
Overnight Rate	7
One month	6.8125
Three months	7
Six months	7.3125

JAPAN

Discount Rate	4.25
Call (Unconditional)	5.0625
Bills Discount (three-mth.)	5.625

APPOINTMENTS

DIRECTOR and GENERAL MANAGER

To lead an autonomous profit centre – turnover approaching £25m and growing – within this highly regarded British food group with extensive and expanding interests at home and overseas. The Company has a strong market position based on technical efficiency, financial strength, and customer service. The product range is wide yet specialised and relates to the confectionery sector.

Two tasks predominate: to improve profitability by the efficient direction of the total cost line and to support profitable growth. Tempo is exacting, performance standards stringent, and success relates to delivery, to cost, to quality, and to time. Accountability is to the Chairman.

A record of sustained career progress is sought within the food industry spanning the manufacturing, distribution, development, personnel, and financial control functions. Equal emphasis will be placed on the record of cost line management success, and progressive achievement in man management, and the utilisation and development of both human and technical resources.

Age: about 40. Salary will be for negotiation in five figures with car provided. Location: Home Counties North.

This appointment will be attractive to those with progressive and professional management competence who seek to direct the dynamics and the performance of a complex and successful business.

Letters from suitably qualified men or women should include a detailed curriculum vitae including salary progression to date which will be handled in confidence by Dr A G Roach.

ROACH

A G ROACH & PARTNERS,
MANAGEMENT CONSULTANTS
8 HALLAM STREET, LONDON WIN 6DJ

Boardroom Cadet

• A GRADUATE or young Professional of high potential is required by a long-established, Liverpool based, British enterprise of high repute whose extensive interests lie in shipping. The career opportunity is clear.

• THE INTENTION is to strengthen the top management resources of the group. After an induction period, the range and scope of responsibility will be extended to managerial level. Thereafter and subject to performance, early advancement to a Board appointment is envisaged.

• A GOOD honours degree and/or a professional qualification, with at least two years' experience in a first-class industrial or commercial stable, are the essential requirements.

• STARTING SALARY is unlikely to be a critical factor. It will match the individual's calibre and established potential. Preferred age – mid to late twenties.

Write in complete confidence
to Sir Peter Youens as adviser to the group.

TYZACK & PARTNERS LTD
MANAGEMENT CONSULTANTS
10 HALLAM STREET • LONDON W1N 6DJ
and
12 CHARLOTTE SQ • EDINBURGH EH2 4DN

Sales Manager

c. £10,000 + car — Director Designate

Our Client is a growing Engineering Company in the automotive components supply industry. The company is seeking a Senior Executive to be responsible for the development of business both in the UK and overseas.

Reporting to the Chief Executive, the person appointed will be responsible for:

★ Collating and evaluating market intelligence.
★ Appraising profit opportunities against the capital investment required.
★ Developing business relationships at all levels.
★ Agreeing the marketing and pricing policy.

Applications are sought from qualified Engineers who are commercially numerate and have a successful record in selling O.E. to the automotive industry.

REWARDS: A starting salary in the region of £10,000 is envisaged with profit related bonus and car provided. There is a contributory pension scheme with life assurance and relocation assistance is available.

Applicants of either sex apply in confidence, Ref. 732.

Hales & Hindmarsh Associates Ltd.
Century House, Jewry Street,
Winchester, Hampshire
(0962) 62253
Recruitment and Selection Consultants

£6,000 accountancy appointments £9,000

These appointments appeared in the Financial Times on 17th April. For full details see the F.T. of that date or telephone Julie Burgess on 01-248 8000 ext. 526.

JOB TITLE	SALARY	LOCATION	ADVERTISER
Young Qualified Accountant	—	Bermuda	The London Security
Financial Controller	£7,000	N.W. England	Financial Times Box A.6739
Internal Auditor	c£8,500	London	Smith Kline Corporation
Accountant	—	Heathrow Airport	Financial Times Box A.6737

Management Accountant

A new appointment in the United Kingdom subsidiary of a first class European multi-national group, engaged in construction, engineering and property development.

• RESPONSIBILITY is to the Managing Director for the entire financial function, including exchange control activities. There are interesting career prospects.

• A QUALIFIED ACCOUNTANT, perhaps already on the brink of an outstanding career, who can demonstrate at least two years relevant commercial experience, is required.

• PREFERRED AGE not more than 30. Location: near London. Salary: to £8,000.

Write in complete confidence
to N. C. Humphreys as adviser to the company.

TYZACK & PARTNERS LTD
MANAGEMENT CONSULTANTS
10 HALLAM STREET — LONDON W1N 6DJ
and
12 CHARLOTTE SQUARE — EDINBURGH EH2 4DN

Itek

Controller (UK)

A job for a Businessman/ Accountant in shirtsleeves.
c. £11,000 + car

ITEK. A growing international force in high-technology phototypesetting/platemaking equipment and systems for the graphic arts and printing worlds: a marketing-orientated company whose latest generation of advanced machines is fast making a major name in Europe.

As Controller for our United Kingdom operations, you can count on taking a strong lead in our expansion. Based in our Central London Offices and supported by a team of some 8 or 9 staff, you'll take charge of a job unusually wide in scope. With us, your responsibilities won't be tied to just financial accounting: inventory management, distribution, legal, tax and treasury matters will all come into your immediate concern.

Reporting to the General Manager (UK), you'll be the financial arm of our British enterprise. Ambitious, dynamic, hard-headed – we don't need to detail the qualities needed: you have them all, already; you've gained them in your extensive control experience – experience that has covered multinational companies and American reporting systems. If you are all this – as well as an exceptional man-manager of Chartered Accountant calibre – it sounds like you are the man or woman we need. Talk to us and we'll offer you the salary and benefits package you expect – and the career paths you need.

Telephone Phillip Rich on 353 3080 or write to him with your full CV at Itek Graphic Products (UK), Itek House, Mora Street, London, EC1V 8BT.

GERMAN COMMERCIAL AGENT

resident in Northrhine-Westphalia with many years experience in industry and consultancy, who combines good knowledge of the German market with all aspects of business, used to travelling and working on own initiative is looking for exclusive representation of a British Company, wishing to develop sales in Germany. UK recommendations available. *Write Box F.1099, Financial Times, 10, Cannon Street, EC4P 4BY.*

FINANCIAL CONTROLLER

Essex based

International company seeks qualified accountant (ACA, ACCA, ACIS). Age 35-40. The position includes company car, plus excellent career progression. Salary c. £12,000.

For further details please contact:

B. GOOCH
J. Wren Personnel Consultants
623 1266

ACCOUNTANT

required by electronics company in Welwyn Garden City to take charge of day-to-day accounts, budgeting and forecasting. The right applicant will have the opportunity to develop with this relatively small company as well as a responsible and rewarding job from the outset. Automation of the company's bookkeeping is currently being considered and D.P knowledge would be helpful. Salary negotiable but probably in the region of £7,500. Reply in confidence to Box A.6743, Financial Times, 10, Cannon Street, EC4P 4BY.

COMPANY NOTICE

AAC

ANGLO AMERICAN CORPORATION GROUP
ORANGE FREE STATE GOLD MINING COMPANIES

INTERIM DIVIDENDS — FINANCIAL YEARS ENDING 30th SEPTEMBER, 1979

On April 19, 1979 dividends were declared in South African currency, payable to members registered in the books of the undermentioned companies at the close of business on May 4, 1979, and to persons presenting the relevant coupons marked "South Africa." detached from share/stock warrants to bearer.

The transfer registers and registers of members will be closed in each case from May 5 to May 18, 1979, both days inclusive, and warrants will be posted from the Johannesburg and United Kingdom offices of the transfer secretaries on or about June 7, 1979. Registered members paid from the United Kingdom will receive the United Kingdom currency equivalent on May 29, 1979, of the rand value of their dividends (less appropriate taxes). Any such members may, however, elect to be paid in South African currency provided that the request is received at the offices of the transfer secretaries in Johannesburg or in the United Kingdom on or before May 4, 1979.

Holders of share/stock warrants to bearer are notified that the dividends are payable on or after June 8, 1979, upon presentation of the respective coupons (marked "South Africa") at the offices of Barclays National Bank Limited, Stock Exchange Branch, Cnr. West and Diagonal Streets, Johannesburg, South Africa; Union Bank of Switzerland, Bahnhofstrasse 45, Zurich, Switzerland; Credit du Nord, 6 and 8 Boulevard Haussmann, 75009 Paris, France; and Banque Bruxelles Lambert, 2 Rue de la Regence, 1000 Bruxelles, Belgium, only. Coupons must be left at least four clear days for examination.

Proceeds of dividends in respect of coupons marked "South Africa." may, at the request of the depositors, be converted through an authorised dealer in exchange in the Republic of South Africa into any currency. The effective rate of exchange for conversion into any such currency will be that prevailing at the time the proceeds of the dividends are deposited with the authorised dealer in exchange.

The effective rate of non-resident shareholders' tax for all the undermentioned companies is 15 per cent.

The dividends are payable subject to conditions which can be inspected at the head and London offices of the companies and also at the offices of the companies' transfer secretaries in Johannesburg and the United Kingdom.

Name of Company (each of which is incorporated in the Republic of South Africa)	Dividend No.	Coupons marked "South Africa" No.	Rate of dividend per share/unit of stock
Free State Geduld Mines Limited	[illegible]	45	185 cents
President Brand Gold Mining Company Limited.	48	50	115 cents
President Steyn Gold Mining Company Limited	[illegible]	[illegible]	65 cents
Welkom Gold Mining Company Limited.	44	—	42.5 cents
Western Holdings Limited.	48	—	270 cents

By Order of the Boards
ANGLO AMERICAN CORPORATION OF SOUTH AFRICA LIMITED
Secretaries
per: R. S. EDMUNDS
Companies Secretary

Office of the United Kingdom Transfer Secretaries:
Charter Consolidated Limited,
P.O. Box 102,
Charter House,
Park Street,
Ashford,
Kent TN24 8EQ.

Head Office:
44 Main Street
Johannesburg
2001
(P.O. Box 61587
Marshalltown
2107)

London Office:
40 Holborn Viaduct
EC1P 1AJ

JOHANNESBURG.
April 20, 1979.

COMPANY NOTICES

AAC

EAST RAND GOLD AND URANIUM COMPANY LIMITED

MAIDEN DIVIDEND—FINANCIAL YEAR ENDED MARCH 31, 1979

On April 19, 1979 dividend No. 1 of 25 cents a share was declared in South African currency, payable to members registered in the books of the company at the close of business on May 4, 1979.

The transfer registers and registers of members will be closed from May 5 to May 18, 1979, both days inclusive and warrants will be posted from the Johannesburg and United Kingdom offices of the transfer secretaries on or about June 7, 1979. Registered members paid from the United Kingdom will receive the United Kingdom currency equivalent on May 29, 1979, of the rand value of their dividends (less appropriate taxes). Any such members may, however, elect to be paid in South African currency, provided that the request is received at the offices of the transfer secretaries in Johannesburg or in the United Kingdom on or before May 4, 1979.

The effective rate of non-resident shareholders' tax is 15 per cent.

The dividend is payable subject to conditions which can be inspected at the head and London offices of the company and also at the offices of the company's transfer secretaries in Johannesburg and the United Kingdom.

By Order of the Board,
ANGLO AMERICAN CORPORATION OF SOUTH AFRICA LIMITED
Secretaries
Per: R. V. C. ASHERWOOD
Companies' Secretary

Head Office:
44 Main Street,
Johannesburg 2001.
(P.O. Box 61587,
Marshalltown 2107).

London Office:
40 Holborn Viaduct,
EC1P 1AJ.

Transfer Secretaries:
Consolidated Shares Registrars Limited,
62 Marshall Street,
Johannesburg, 2001
(P.O. Box 61051, Marshalltown 2107).

Charter Consolidated Limited,
P.O. Box 102,
Charter House,
Park Street, Ashford,
Kent TN24 8EQ

Johannesburg.
April 20, 1979.

NOTICE OF REDEMPTION

EUROPEAN COAL AND STEEL COMMUNITY (E.C.S.C.)
US$15,000,000 6¾% 20 YEAR BONDS OF 1966 DUE 15TH JUNE, 1986

The Commission of the European Communities announces that the annual instalment of Bonds amounting to US$1,000,000 has been purchased for redemption on 15th June, 1979.
20th April, 1979.

N.V. ENGELSCH — HOLLANDSCHE BELEGGINGS TRUST
(English and Dutch Investment Trust)
Established in Amsterdam
PARTICIPATION CERTIFICATES
(Issued by Royal Exchange Assurance)

NOTICE IS HEREBY GIVEN that the net asset value (Unaudited) of a Participation Certificate as at March 31st, 1979, using the official rates of exchange, was pounds sterling 19.53.

By Order of the Board,
HOLLANDSE KOOPMANSBANK N.V.
Managers.

Sarphatistraat 14a,
Amsterdam C.
20th April 1979.

JAMES BEATTIE LIMITED

NOTICE IS HEREBY GIVEN that the transfer books relating to the 6¼% First Mortgage Debenture Stock 1986-90 of the company will be closed from the 8th to the 15th May, 1979, both dates inclusive.

By Order of the Board.
G. T. LOWNDES, Secretary.
71-78, Victoria Street,
Wolverhampton.

STATE LOAN OF THE KINGDOM OF HUNGARY

7½% (NOW 2.75 PER CENT) STERLING BONDS 1924

N. M. ROTHSCHILD & SONS LIMITED announce that the Coupons due 1st May, 1979, from bonds which have been assented in London to the 1968 Offer may now be lodged with them listed on the special forms which can be obtained on application.

Coupons will be received on any business day and must be left for an appropriate period for examination.

Coupons must be handed in personally and cannot be accepted through the post.

New Court,
St. Swithin's Lane,
London EC4P 4DU
20th April, 1979.

CONTRACTS AND TENDERS

WASTE DISPOSAL COMPANY

subsidiary of publicly-quoted group require:

★ Landfill Sites
★ Disused Quarries
★ Tipping facilities and companies engaged in the Waste Disposal field.

Proposals to Box 3682,
Financial Times,
10 Cannon Street, EC4P 4BY.

ART GALLERIES

SANDFORD GALLERY, Covent Garden, 1, Mercer Street, W.C.2. Off Long Acre. DOCUMENTING THE U.K. Drawings, paintings and watercolours of London and the British Isles. Including Roger de Grey, R.A., Rodney Burn, R.A., Allan Wynne-Jones, R.A., and Mary Fedden. Mon.-Sat. 11-6. Tel. 379 6905.

Taxation Director

London — c. £17,000

Multi-national manufacturing group seeks a Taxation Director to assume overall control of the tax function including tax planning, at home and overseas, supported by a highly competent specialist team at its London headquarters. Salary is negotiable around £17,500, and in addition there are excellent benefits bringing the remuneration package close to £20,000.

Candidates, probably aged 35-50, likely to be either Chartered Accountants or former Inspectors of Taxes presently controlling the tax function in a public company with overseas interests, or be deputies in substantial multi-national groups. Administrative ability and powers of leadership are essential qualities.

For a full job description candidates should write to W. T. Agar, John Courtis and Partners Ltd., 78 Wigmore Street, London, W1H 9DQ, demonstrating their relevance briefly but explicitly and quoting 2071/FT. Replies will be treated in strict confidence. This is an equal opportunity appointment.

JC&P

LEGAL NOTICES

No. 00924 of 1979

IN THE HIGH COURT OF JUSTICE *Chancery Division, Group A, Mr. Registrar Dearbergh.* In the Matter of MOORHOUSE & BROOK LIMITED and in the Matter of The Companies Act 1948.

NOTICE IS HEREBY GIVEN that by an Order dated the 4th April, 1979 made in the above matters the Court has directed separate Meetings to be convened of the holders of (i) the Ordinary Shares of 20p each and (ii) the 7½ per cent Cumulative Preference Shares of £1 each respectively of the above named Company (hereinafter called "the Company") for the purpose of considering and, if thought fit, approving (with or without modification) a Scheme of Arrangement proposed to be made between the Company and the holders of the said respective classes of Shares and that such Meetings will be held at

BARING BROTHERS & CO., LIMITED,
88, Leadenhall Street,
London EC3A 3DT,

on Monday the 14th day of May, 1979 at the respective times mentioned below namely:—

(i) the Meeting of the holders of the Ordinary Shares at 12.00 noon, and
(ii) the Meeting of the holders of the 7½ per cent Cumulative Preference Shares at 12.15 o'clock in the afternoon (or so soon thereafter as the preceding Meeting shall have been concluded)

at which place and respective times all the aforesaid Shareholders are requested to attend.

Any person entitled to attend the said Meetings can obtain copies of the said Scheme of Arrangement, forms of Proxy and copies of the Statement required to be furnished pursuant to Section 207 of the above mentioned Act at the Registered Office of the Company situate at Moorbrook Mills, New Mill, Huddersfield, HD7 7JZ and at the offices of the undermentioned Solicitors at the addresses mentioned below during usual business hours on any day (other than a Saturday or Sunday) prior to the day appointed for the said Meetings.

THE SAID SHAREHOLDERS MAY VOTE IN PERSON AT SUCH OF THE SAID MEETINGS AS THEY ARE ENTITLED TO ATTEND OR THEY MAY APPOINT ANOTHER PERSON, WHETHER A MEMBER OF THE COMPANY OR NOT, AS THEIR PROXY TO ATTEND AND VOTE IN THEIR STEAD.

It is requested that forms appointing Proxies be lodged with the Registrar of the Company, Smith & Garton, Abford House, Wilton Road, London, SW1V 1LT, not less than 48 hours before the time appointed for the said Meetings, but if forms are not so lodged they may be handed to the Chairman at the Meeting at which they are to be used.

In the case of joint holders the vote of the senior who tenders a vote whether in person or by proxy will be accepted to the exclusion of the votes of the other joint holders and for this purpose seniority will be determined by the order in which the names stand in the Register of Members.

By the said Order the Court has appointed Philip Ashworth Brook or failing him John Delve Tinker or failing him Charles Ashworth Brook to act as Chairman of each of the said Meetings and has directed the Chairman to report the results of such Meetings respectively to the Court.

The said Scheme of Arrangement will be subject to the subsequent approval of the Court.

Dated this 20th day of April, 1979.
HEXTALL ERSKINE & CO.,
Dunster House,
Mincing Lane,
London EC3R 7EX.
Agents for:
LACES & CO.,
Castle Chambers,
43 Castle Street,
Liverpool, L2 9SU,
Solicitors for the Company.

IN THE MATTER OF THE COMPANIES ACT, 1948
AND IN THE MATTER OF BEDFORD MOULDED CONCRETE LIMITED
Registered Office: Hardwick Hill Works, Kempston Hardwick, Bedford.

NOTICE IS HEREBY GIVEN pursuant to Section 293 of the Companies Act, 1948, that an adjourned Meeting of the Creditors of the above named Company will be held at the offices of

FLOYD NASH & CO.,
Chartered Accountants,
33, Clifford's Inn,
Fetter Lane, London, E.C.4,

on 26th April 1979 at 11.00 a.m. for the purpose mentioned in Section 294 et seq of the said Act.

Dated this 4th day of April 1979.
By Order of the Board.
S. E. WALSH,
Director.

IN THE MATTER OF DONALD DAVID PRESS CONTRACTS LIMITED
AND IN THE MATTER OF THE COMPANIES ACT 1948

NOTICE IS HEREBY GIVEN that the creditors of the above-named Company, which is being voluntarily wound up, are required, on or before the 22nd day of May, 1979, to send in their full Christian and surnames, their addresses and descriptions, full particulars of their debts or claims, and the names and addresses of their Solicitors (if any), to the undersigned

KEITH DAVID GOODMAN, FCA,
of 3/4 Bentinck Street,
London W1A 3BA,

the Liquidator of the said Company, and, if so required by notice in writing from the said Liquidator, are, personally or by their Solicitors, to come in and prove their debts or claims at such time and place as shall be specified in such notice, or in default thereof they will be excluded from the benefit of any distribution made before such debts are proved.

Dated this 10th day of April 1979.
KEITH DAVID GOODMAN, Liquidator.

THE COMPANIES ACTS 1948 TO 1976
GERALD HARRIS (LONDON) LIMITED

NOTICE IS HEREBY GIVEN, pursuant to section 293 of the Companies Act 1948, that a Meeting of the Creditors of the above-named Company will be held at the offices of:

LEONARD CURTIS & CO.,
situated at
3/4 Bentinck Street,
London W1A 3BA,

on Thursday, the 26th day of April 1979, at 2.00 o'clock in the afternoon, for the purposes mentioned in sections 294 and 295 of the said Act.

Dated this 10th day of April 1979.
By Order of the Board,
M. MYERS, Director.

IN THE MATTER OF HEAT-FRIG (MIDLANDS) LTD.
AND IN THE MATTER OF THE COMPANIES ACT 1948

NOTICE IS HEREBY GIVEN that the creditors of the above-named Company, which is being voluntarily wound up, are required, on or before the 23rd day of May, 1979, to send in their full Christian and surnames, their addresses and descriptions, full particulars of their debts or claims, and the names and addresses of their Solicitors (if any), to the undersigned

PHILIP MONJACK, FCA,
of 3/4 Bentinck Street,
London, W1A 3BA,

the Liquidator of the said Company, and, if so required by notice in writing from the said Liquidator, are, personally or by their Solicitors, to come in and prove their debts or claims at such time and place as shall be specified in such notice, or in default thereof they will be excluded from the benefit of any distribution made before such debts are proved.

Dated this 11th day of April, 1979.
PHILIP MONJACK, Liquidator.

IN THE MATTER OF NINEDALE LIMITED
AND IN THE MATTER OF THE COMPANIES ACT 1948

NOTICE IS HEREBY GIVEN that the creditors of the above-named Company, which is being voluntarily wound up, are required, on or before the 24th day of May, 1979, to send in their full Christian and surnames, their addresses and descriptions, full particulars of their debts or claims, and the names and addresses of their Solicitors (if any), to the undersigned

KEITH DAVID GOODMAN, FCA,
of 3/4 Bentinck Street,
London, W1A 3BA,

the Liquidator of the said Company, and, if so required by notice in writing from the said Liquidator, are, personally or by their Solicitors, to come in and prove their debts or claims at such time and place as shall be specified in such notice, or in default thereof they will be excluded from the benefit of any distribution made before such debts are proved.

Dated this 12th day of April, 1979.
KEITH DAVID GOODMAN, Liquidator.

IN THE MATTER OF PRESS CONTRACT FURNISHERS LIMITED
AND IN THE MATTER OF THE COMPANIES ACT 1948

NOTICE IS HEREBY GIVEN that the creditors of the above-named Company, which is being voluntarily wound up, are required, on or before the 22nd day of May, 1979, to send in their full Christian and surnames, their addresses and descriptions, full particulars of their debts or claims, and the names and addresses of their Solicitors (if any), to the undersigned

KEITH DAVID GOODMAN, FCA,
of 3/4 Bentinck Street,
London W1A 3BA,

the Liquidator of the said Company, and, if so required by notice in writing from the said Liquidator, are, personally or by their Solicitors, to come and prove their debts, or claims at such time and place as shall be specified in such notice, or in default thereof they will be excluded from the benefit of any distribution made before such debts are proved.

Dated this 10th day of April 1979.
KEITH DAVID GOODMAN, Liquidator.

THE COMPANIES ACTS 1948 TO 1976
RALEIGH REGENT LIMITED

NOTICE IS HEREBY GIVEN, pursuant to section 293 of the Companies Act 1948, that a Meeting of the Creditors of the above-named Company will be held at the offices of:

LEONARD CURTIS & CO.,
situated at
3/4 Bentinck Street,
London W1A 3BA,

on Thursday, the 26th day of April 1979 at 3.00 o'clock in the afternoon, for the purposes mentioned in sections 294 and 295 of the said Act.

Dated this 10th day of April 1979.
By Order of the Board,
M. MYERS, Director.

THE COMPANIES ACTS 1948 TO 1976
RALEIGH MODELS LIMITED

NOTICE IS HEREBY GIVEN, pursuant to section 293 of the Companies Act 1948, that a Meeting of the Creditors of the above-named Company will be held at the offices of:

LEONARD CURTIS & CO.,
situated at
3/4 Bentinck Street,
London W1A 3BA,

on Thursday, the 26th day of April 1979, at 11.00 o'clock in the forenoon, for the purposes mentioned in sections 294 and 295 of the said Act.

Dated this 10th day of April 1979.
By Order of the Board,
M. MYERS, Director.

No. 003785 of 1979

In the HIGH COURT OF JUSTICE Chancery Division. In the Matter of ELTHAMSHIRE DUAL TRUST LIMITED and in the Matter of The Companies Act 1948.

NOTICE IS HEREBY GIVEN that the Order of the High Court of Justice (Chancery Division) dated 28th March 1979 CONFIRMING (a) the cancellation of the Share Premium Account of the above-named Company and (b) the REDUCTION of the CAPITAL of the said Company from £25,943,28.86 to £3,000 and the Minute approved by the Court showing with respect to the capital of the said Company as altered the several particulars required by the above-mentioned Act were registered by the Registrar on 28th March 1979.

Dated this 18th day of April 1979.
HERBERT SMITH & CO.,
62, London Wall,
London EC2R 7JP.
Solicitors for the above-named Company.

CLUBS

EVE, 189, Regent Street. 734 0557. A la Carte or All-in Menu. Three Spectacular Floor Shows 10.45, 12.45 and 1.45 and music of Johnny Hawkesworth & Friends.

GARGOYLE, 69, Dean Street, London, W.1. NEW STRIPTEASE FLOORSHOW "AS YOU LIKE IT" 11-3.30 am. Show at Midnight and 1 am. Mon.-Fri. Closed Saturdays. 01-437 6455.

FINANCIAL TIMES SURVEY
Friday April 20 1979

PROPERTY IN THE NORTH WEST

Despite the economic situation, there are nevertheless some encouraging trends within the commercial and industrial property market in the North West. Although the supply in most sectors is staying ahead of demand, some specific shortages are beginning to emerge.

Demand is now more buoyant

By Rhys David

UNEMPLOYMENT MAY still be high and the economy may even have slowed down again but to the relief of property developers—whether in the private or public sector—the forest of "to let" notices which have been sprouting over the North West have, over the past year, begun to thin out.

Though there is no such thing as a boom in the region's property market — and few developers would now want one after the experience of the early 1970s — conditions have been looking up in the commercial, industrial warehousing and residential fields, and the recovery trend is expected to continue during this year.

The improvement is reflected in a hardening of rents for office developments, and in a reduction in the amount of space available throughout the region, at a time when the number of new developments coming on to the market has slowed down.

In the industrial field there has also been renewed interest in some of the older mill property in the area, which, at times of weak demand, is generally difficult to dispose of, and, in particular, types of industrial property such as nursery units.

In shops, the retail boom nationally has produced a strong demand in the North West for prime sites, as in other parts of the UK, and in the residential field the North West has followed almost exactly the rise which has taken place nationally in house prices.

The overall picture, however, inevitably obscures significant differences over the past year between the various part of the region and within the different property sectors as well.

In Manchester itself—by far the most important office centre within the region—unlet accommodation in new buildings of around 750,000 sq ft still exists and this figure is more than doubled when accommodation in older buildings, or in buildings due for refurbishment, is added.

The major component in the city's new buildings sector is 375,000 sq ft in the Arndale Centre, which has now largely filled up on the retail side, with the attraction of a number of important names including C. and A, Boots and W. H. Smith, as well as many other multiples.

The main buoyancy in the city centre office market has come from small- medium-sized lettings, and demand from this sector has helped to push up rents to around £8.50 per sq ft for new air-conditioned offices and not much less for centrally-heated space.

Demand for office accommodation in the outer ring of towns to the south of Manchester has also been strong and has been encouraged by good road, rail and airlinks, plus the difficulties of travelling into, and parking in central Manchester. Shell UK Ltd has recently taken a lease on 25,000 sq ft of refurbished accommodation at Wilmslow at £3 per sq ft.

Surplus

Elsewhere in the region the pattern is mixed. Preston, for example, has been suffering from a surfeit of office accommodation and demand is picking up only slowly.

In Liverpool, which generally failed to attract new office development in the property boom a few years ago, there is a good demand for prime space, but a large surplus of older pre-war office accommodation, much of it released as a result of the decline in business associated with the port. New office development is now being attracted, however, adjacent to the stations on the new Merseyrail underground system which provides through links for surrounding areas of Liverpool with all parts of the city centre.

The city's offices sector is also set to grow substantially under plans to disperse Government departments from London.

In a further bid to encourage commercial activity, Liverpool City Council itself has been prepared to give financial aid to stimulate the development of advance office accommodation in the city and may waive the levying of rates on new property until occupied.

In the industrial sector, as in offices, the strongest demand throughout the region has been for smaller factories with inquiries concentrating on 5,000-10,000 sq ft units. The city of Liverpool, for example, has found little difficulty in disposing of advance factory units in the inner urban area. Altogether 275,000 sq ft of factory space is being built in the inner urban area by the city, in addition to the Department of Industry's own advance factory building programme on Merseyside, which is concentrating mainly on somewhat larger units.

Merseyside County Council is also engaged in refurbishing a number of sites within the area to create an improved environment for industry.

In many cases, the city authorities in Liverpool are finding applications for advance factory accommodation are coming from small firms obliged by earlier land clearance policies to move away from the city centre and hence away from their market and sources of labour.

Smaller factory units are also proving popular in Manchester, which, like Liverpool, is again receiving aid under the inner urban area programme. The city has successfully leased 26 units between 1,000 square feet and 2,000 square feet at rentals around £1.35 on five industrial locations close to housing estates in inner suburbs and is investigating further sites.

Developers

Private developers have also moved in to meet demand and are realising £2 a square foot on some small estates in Manchester. On major estates such as Trafford Park, smaller units are also being developed to attract a new type of tenant.

Smaller units have also long been part of the portfolio offered by the four new towns in the area—Central Lancashire, Warrington, Skelmersdale and Runcorn—and are now being taken up too by other local authorities which, together with the English Industrial Estates Corporation, now play the dominant role in the provision of new factory accommodation.

As one example of the scale of public authority involvement, Warrington New Town has plans to build more than 1m square feet of factory and warehouse accommodation on 68 acres of land.

Though on nothing like this scale, private development of industrial estates has picked up as well, with the main effort concentrated on prime sites enjoying good motorway access and close to sources of skilled labour. Areas favoured include the south of Manchester and Stockport where links along the M56 and M63 with the airport are good, and sites close to the M62 linking Lancashire and Yorkshire.

The main difficulty being experienced at present in industrial property is the letting of larger units released as a result of the withdrawal of industry from the area. Because of this total factory space available in the area has actually increased over the past year by 1.5m sq ft to 7.2m sq ft.

Courtaulds' weaving plant at Skelmersdale, for example, remains unoccupied several years after closure, as does the Triumph No. 2 Plant at Speke. Also in Liverpool—the area hardest hit by industrial contraction—is the Dunlop tyre plant due to close shortly, and again a major industrial unit.

To balance this, however, a number of old mills have found buyers and for companies whose operations require a large floor space but can be fitted into multi-storey premises, mills remain the best bargain available. Fine Art Developments, the greetings card company, paid around £350,000 for a 149,000 sq ft mill at Accrington on a 6.5-acre site.

Other mills in the area have recently been taken over by paint manufacturers, and paper board converters. Cromer Mill at Middleton, believed to be Britain's biggest spinning mill, has remained on the market at £1.2m for 460,000 sq ft property since its closure by Vantone last year.

Transition

In shops, the market in most parts of the region remains strong, with retailers encouraged by high levels of consumer spending even in areas such as Liverpool with its serious unemployment problems. In Manchester, the most important retailing streets are going through a period of transition with gaps opening up in some parts of the centre as traders move to new Arndale premises.

One of the biggest losses — caused by Boots move from the Exchange Buildings — is being filled, however, through the development of the site as a high-quality multi-shop complex.

The past year has also seen major developments at a number of important subsidiary shopping centres in the area.

At Altrincham a new shopping precinct by Petros Development has attracted Rackhams (House of Fraser, department store) and Caters (Debenham's, food retailer) both new to the area, as well as the Co-op, Boots, Smiths and other important names, while Sainsburys have moved into Wilmslow and Debenhams to a new department store at Stockport.

At Oldham, Lesser land, in partnership with Oldham Corporation, have embarked on the £9m second phase of a major central area development scheme which will provide 33 new stores in 180,000 sq ft of retail space. The recently completed first phase has included a £9.5m civic centre with multi-purpose hall.

The overall trend within the market, therefore, has been upwards and although supply in most sectors of the property market is staying ahead of demand, some specific shortages are beginnin gto emerge. Amid all the gloomy signs relating to the UK economy, the North-West property market is one encouraging sign that industrial and commercial confidence may nevertheless be on the way back.

Optimism in Manchester

A BUOYANT level of inquiries matched by a revival of interest and more confident initiatives by the speculative developer are contributing to a stronger industrial property market in Greater Manchester.

The resurgence started to gain momentum last year and has been accelerating with work now under way on a spread of developments, including a number of inner city factory and warehouse schemes spurred by the new emphasis on urban regeneration reversing the pattern of post-war history. More local authorities have entered the field of nursery unit development.

In contrast, the office sector has for long been overshadowed and influenced by a continuing surplus of modern accommodation in Manchester city centre, estimated at 750,000 sq ft at the start of the year, giving an overall availability of 1.3m sq ft when 550,000 sq ft of older accommodation was included.

But recent weeks have indicated that significant inroads may not be all that far away and there, too, there are signs of a more optimistic tone.

In contrast, the pattern of office disposals in favoured suburban areas to the south of the city, close to motorways and with fewer car parking problems, has been consistently sustained and in places demand continues to outstrip the limited supply.

But the level of inquiries for new office accommodation in central Manchester during one week this month was likened by agents W. H. Robinson to "the last of the heady days of 1972." Even if there is still some way to go, there is no doubt that spirits have lifted with the letting of the 65,000 sq ft ICI Pension Fund office development in Portland Street, overlooking Piccadilly.

It has been taken by Courtaulds after being on the market for three years at an asking rate of £3.25 sq ft. Taking into account other miscellaneous lettings it means that central Manchester's vacant stock of new office buildings has been reduced by about 72,000 sq ft so far this year, leaving a balance of something below 700,000 sq ft which, as Robinsons point out, is historically les than two years' take-up.

Half of central Manchester's available supply of modern office accommodation at the present time is accounted for by Town and City's Arndale Centre—Market Place development. The 20,000 sq ft Cobden House was taken by National Employers' Mutual and marketing effort has concentrated on the 25,000 sq ft Macintosh House, where only around 3,000 sq ft now remain.

This leaves the 100,000 sq ft Fairbairn House, 33,500 sq ft Adamson House, 28,000 sq ft Royce House and above all the 191,000 sq ft Arndale Tower, built to higher specifications and the last to be completed. There is optimism that this year will see a major letting at Arndale.

The rate of progress is likely to influence the timing of fresh starts. W. H. Robinson has pointed out that the scale of the Arndale-Market Place development could also affect rent levels in the city until it has been let. There is little doubt that rent levels currently hardening up to £3.50, will increase markedly over the next two years.

A rate of £4 is being asked for the new Abbey National building in Misley Street and some agents calculate that £5 per sq ft could be on the horizon for a couple of years' time.

Redevelopment of an importatnt site overlooking the century-old town hall in Albert Square, Manchester's central civic area posed a long-standing dilemma. The argument, vigorously joined by the conservationist bodies, was basically about the need for a development in key with its Victorian surroundings.

The difficulty finally has been resolved and Heron Corporation will go ahead with an office development of 126,000 sq ft pre-let to Manchester City Council at a rent of £4.95 a square foot, well above the current going rate, on completion in 1981.

The future of a prominent city centre landmark, the long-vacant Britannia House in Portland Street, Manchester, at the centre of equally vigorous controversy, also could now be settled. The ornate building was in process of refurbishment as offices by Lyon at the time of its crash and has stood empty ever since. Applications for listed building consent to demolish have been resisted and planning permission has now been sought and granted for conversion to hotel use.

At the peak of the office development boom Old Trafford's mushrooming innings made the scoreboard at the adjacent Lancashire County Cricket Club look like an early dismissal. Speculative development overall was in excess of 2m square feet and left a legacy of over-supply difficult to move. The area was close to the favoured south suburban side of Manchester but lacked shopping support.

An estimated 80,000 sq ft remain, but sizeable inroads have now been made. The 15-storey Coldstream House, 110,000 sq ft, has been taken by the Manchester division of Flour Corporation and the 11-storey Chester House, 112,000 sq ft, has become the headquarters of Greater Manchester Police after conversion by Laing costing £962,000.

Confidence

The current level of confidence in prime industrial sites, where available, is reflected in the approach to one of the latest developments to be announced. A £4.5m industrial and warehouse complex by Estates Property Investment (EPIC) at Cheadle Heath, Stockport, will be developed in a single phase because of the level of demand in the area.

A substantial part of the 200,000 sq ft development has been pre-let, including an 85,000 sq ft warehouse to be taken by Holt Lloyd International. The 12-acre site, close to the M63 and M56 motorways and Manchester Airport, has been acquired from Simon Engineering whose subsidiary, Simon-build, will be responsible for designing and building the estate, scheduled for completion in mid-1980.

The highest rent achieved in the city centre so far is about £1.75, but Cheadle Heath will see £2 being reached for the first time and possibly more by the time of completion. Agents Elliot Fifield describe the volume of inquiries as "tremendous."

British Rail Property Board, a substantial landowner in the Manchester area, is actively involved in an industrial development programme and has recently agreed terms for a 109,000 sq ft development at a former goods yard at Oldham. Lyn Town has been selected to carry out a phased development of the 20-acre former motive power depot at Patricroft.

Meanwhile, Manchester City Council has been active in developing nursery units. So far 26 have been completed in sizes ranging from 1,000 to 2,000 sq ft and all have gone at a rent of £1.30 a sq ft, a figure which has aroused some criticism — one agent used the word "subsidisation." Twelve more are planned but the rent level will be adjusted.

The city argues that the £1.30 was fixed some time ago and that its purpose in building units in the first place was to act as a catalyst.

What Manchester has shown is that demand for nursery units is by no means limited to embryo firms. About half the tenants were established companies and fewer than one in three entirely new enterprises. Rochdale, Tameside and Salford are among other Greater Manchester districts which have given a direct lead.

The involvement of local government, directly or indirectly, has grown to become a strong feature of a county like Greater Manchester, where support in helping to retain jobs is seen as just as important as winning new jobs.

Greater Manchester County Council has also involved itself directly in building industrial accommodation, but the contribution of a Conservative-inspired innovation has yet to be seen.

A development association, backed by a guarantee company, is proposed with industrial assistance powers including the providing of finance based on loans, guarantees or equity capital, the financing and development of industrial sites and conversion and improvement of sites and buildings. Both organisations have recently been described as being in the final stages of formation and ready to make an impact "in the measurable future."

Tom Heaney

Interest in the new towns

TEN YEARS separate the designation of Skelmersdale in 1961 as the first town in the North West and the establishment of the Central Lancashire New Town in 1971, the fourth and last in the area.

That decade quickly saw the establishment of authorities which were to play an important role in the economic and social life of their areas and the point has now been reached where two of them—Runcorn and Skelmersdale—have been given a vesting date when their functions as development corporations will cease.

Both Skelmersdale and Runcorn, designated in 1964, originally had a double purpose—to relieve over-crowding on north Merseyside and restore old, existing communities. The aim was one shared in other parts of the country, with places such as Redditch, Washington and, to some extent, Cumbernauld.

Warrington, designated in 1968, and the Central Lancashire New Town have rather more in common with development agencies than new towns. It was intended that they should co-ordinate the economic growth of strong existing communities and pursue such non-new town responsibilities as urban renewal.

Growth

Warrington Development Corporation has therefore undertaken a joint scheme with the local borough coucil to rehabilitate Howley, an old part of the town, and Central Lancs is undertaking a big scheme at Preston in the Plungington area of the town.

Central Lancs in particular sees itself as not so much a new town as a corporation creating an industrial growth point for its country. The three towns which comprise it—Preston, Leyland and Chorley—all had strong, diversified economies before Central Lancs was created eight years ago, but by acting rather like an "agency" the development corporation has been able to push forward from the strong foundations.

Warrington had an especially urgent need to restore large areas of land in public ownership. Generations of sevicemen were kitted out and did their basic training at the one-time Royal Air Force station at Padgate; others, including many Americans, were at RAF Burtonwood; and at Risley there had been a Royal Ordnance factory, which, after its closure, became one of the largest areas of derelict land in the country.

Skelmersdale and Runcorn were seen more as a means of decanting people (to use the planners' jargon) from the run-down inner parts of Liverpool and providing them with decent housing and jobs close at hand. Both are in special development areas (unlike the other two which merely qualify for intermediate area status) and so enjoy the full range of Government grants and incentives.

They have great need for such help because their unemployment levels are much above the national average and, despite many successes, they have had considerable problems in keeping a balance of employment opportunities.

In Skelmersdale, the jobless figure is between 11 and 12 per cent and in Runcorn it is around 10 per cent. By comparison both Warrington and Central Lancs are under national average, reflecting their more prosperous past and wider industrial base.

All four share one common problem, however: they need an infusion of service industries—office jobs to provide work for women and white-collar jobs to leaven the heavy emphasis on manufacturing. There have been some successes: the consumer services division of the Co-operative Bank recently took an office block in Skelmersdale; Runcorn is now looking more closely at land in the town centre for office development.

They share one other common feature—each is well sited for communications. The M6 runs through Central Lancs and Preston (its most important town), and is one of the leading railway towns in the country. Three motorways, the M6, the M62 from Yorkshire to Liverpool and the M56 from Manchester to North Wales, serve Warrington. The M58 links Skelmersdale to the M6 and Runcorn is all but on the M56. Manchester's international airport is nearby and there are ports at Manchester, Liverpool and Preston.

Traffic links such as these are important to new towns and the development corporations which run their affairs. They are a selling point in attracting new industry, a selling point on which they have all capitalised. How they have capitalised can best be illustrated by looking at some of the industrial facilities available in each of the towns.

● Central Lancashire: The area has a big pool of skilled labour because most of its leading employers, such as BL, the British Aerospace Corporation, Plessey, Leyland Paint and Wallpapers and BTR pay a lot of attention to training. Even so, there are shortages of many skills.

The development corporation has 650,000 sq ft of factory space under construction, with those ranging from 1,000 to 30,000 sq ft the most popular.

Estates have been established at Roman Way, Moss Side and Walton Summit, which the corporation claims to be "one of Britain's strategic industrial sites." It has 54 factories completed and another 54 under construction and already 811 jobs have been created on it.

Roman Way is smaller, with

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The Merseyside myth

ONE BUILDING all too readily stands out as a symbol of the *property market on Merseyside*: the Plessey factory in Speke, on the outskirts of Liverpool. Closed in the middle of 1977 despite strident but eventually ineffective workforce protests, it remained closed until the beginning *of this year, when* it re-opened briefly to house coffins during the gravediggers' strike.

For hunters seeking the Mersey myth, here are all the trademarks: an outside company making out-dated equipment was cutting *its losses on* Merseyside. There were redundancies, although many of the 350 workforce were transferred to the company's telecommunications headquarters in another part of Liverpool; there was militancy, and there was irony in the building's brief life after death this New Year.

The myth can all too readily feed off itself, and the airline operators' slogan of Liverpool being "a great place to get away from" becomes an established precedent. As the ripples of reported decay widen, the region is in increasing danger of being *seen as a place to avoid.* The regression of successive aspects of production becomes geometric.

It is a situation both private investors and the local authorities know they must change. *The ingredients of pessimism* must be refurbished and relabelled as opportunities.

A major problem is the environment, with huge swathes *of derelict land sweeping the* inner city of Liverpool. Much of this land was acquired for an inner motorway which died on the drawing board.

The county council's industrial development unit has been strengthened, economically and politically, and one of its prime concerns has been with appearances. Once the environment has been improved the area will act as a magnet—or at least stop acting as a deterrent—to industrial investment, and *strengthen* confidence, the development experts argue.

Boast

The city council has been actively laying its own bait. It boasts a 93 per cent occupancy rate on completion of advance factories, with demand on the verge of outstripping supply. Additional job creation, including moves by Liverpool's established companies into these new premises, is a necessary achievement in a region where 85,000 are out of work.

Critics argue that the factories also create problems, leaving older factories and warehouses empty in a slack market. They see the advance factory programe as over-cosmetic and not attracting into Liverpool as *many outside companies* as there ought to be.

Generally, though, the results of the local authorities' efforts appear encouraging. One leading Liverpool estate agent said there had been a strong call during the last two years for premises in the inner-city.

The property market has also been encouraged by joint local authority and Government co-operation in the Inner City partnership, and by other council initiatives to improve both the environment and the road pattern.

Business has given a more mixed response to the most recent proposals, by the county council, for an inner ring road in Liverpool. After undignified, but not unprecedented, argument and accusation between the Liberal city council and the Conservative county, a truce was *arranged recently* while representatives from both sides jointly examine aspects and effects.

There has also been some concern about the siting of some modern building. *Port users have attacked the city for* levelling many older multistorey warehouses, arguing there will be a *shortage* of such facilities when the economy revives. The councillors argue that these warehouses are outdated in the days of containers and fork-lift trucks, and advocate a more positive use of land.

The biggest symbol of hope for the region's future has been the designation of Neston as the home of the G.E.C.-Fairchild silicon-chip factory. It will create 1,100 jobs and is seen as an encouragement to the whole regional economy.

Inquiries

Mr. David Mowat, Liverpool city council's ebullient industrial development officer, immediately labelled his charge "Silicon City," even though the site for the micro-processor factory is just outside the Merseyside county area.

But Liverpool's first "Silicon City" advertisement brought in *185 potential development* inquiries, compared with 80 for the same week a year ago.

"The way forward for Liverpool is not to try in vain to hold on to its declining industries," Mr. Mowat said. "*We have to press the city's case to* become Britain's number one centre for micro-processing, and this is possible."

The next encouragement for this could be the siting of one of the Government's Inmos production units in the region. This pending development again offers around 1,000 jobs.

Besides taking up some of the unemployment, the commercial spin-off is considerable. Soon after the Neston location announcement, the Merseyside Chamber of Commerce began drawing up from its 2,000 member companies a register of potential suppliers for every item on the developers' shopping list.

The county is rapidly establishing information courses to ensure that service industry development parallels the manufacturing growth.

The region's largest single problem is the withdrawal of large, outside employers. Last year they accounted for about half the 14,000 notified redundancies on Merseyside. They also leave behind the largest, least marketable, premises.

Of these the most spectacular is the 1.2m square feet factory which was previously the BL TR7 sports car plant at Speke, standing on a site of more than 100 acres. Its appearance on the market attracted about 70 initial inquiries, and these have *been narrowed down to three* or four British concerns which are now reading the small print.

The plant's closure brought 3,000 redundancies: a total cruelly followed this year by the 2,400 people who will be put out of work by closure of the Dunlop tyre plant, again in the Speke area.

While, ideally, agents hope to sell these larger, often older, factories as single units, there is sufficient realism in the Merseyside property market to realise that dividing them into smaller units may have to be the ultimate answer.

City councillors—the lease on the Plessey factory in Speke reverted to the city after the *company ceased working there*—recently received proposals for its division. These suggested the creation of six units, of between 2,500 and 5,000 sq. ft., and the demolition of part of the plant.

The £13,000 the city council would have to invest to effect this change, with no guaranteed return, is an indication of present difficulties with large unit sales or letting. Estimated income if these units are let *would be about £32,000* annually.

Liverpool agents, reporting recently on the year to February 1979, said there had been a steady demand for factory and warehouse space, especially in *the 2,000 to 10,000 sq. ft. range.* "Considerable interest" was also noted in the smaller units of about 750 sq. ft.

But the best hopes of disposing of the "several large factories" with floor areas of *more than 20,000 sq. ft. lay with* interested industrialists forming a consortium to purchase, before dividing the property up *to suit their individual needs.*

This report did not minimise the difficulties of selling older *properties. The continuing costs* of maintenance, security and rates frequently encouraged sales below the true market value.

While the past year had seen older factories leased from 30p *a sq ft, the more modern units* were commanding rates between 80p and £1.35, depending on their size, location and facilities.

Prediction

Merseyside appears to have made a belated start on office development, having missed out *on major expansion during the* last property boom. But 1978 saw two major developments in Liverpool, with most of this *space being let at £4 per sq ft.*

Considerable demand appears to be continuing and some experts predict a shortage of space for companies wishing to *move to Merseyside.* This could pose a problem as other redevelopment matures, and incentives, through example, increase. The former Exchange Station site is being imaginatively redeveloped for Civil Service offices, and it is hoped that talks between the Mersey *Docks and Harbour Company* and the County Council will result in the redevelopment—largely by private developers—of the South Docks, at present the base for numerous small companies without any dock activity.

There remains a problem also of empty *office property* in the *region.* Liverpool city centre still has a 3 per cent vacancy rate for modern offices, representing 4.5m sq ft of office space.

This year there are three speculative projects which are *expected* to bring a further 230,000 sq ft of office space on to the market—welcome work where there is a 30 per cent unemployment rate locally in the construction industry.

Two recent bright spots on the *Merseyside property front* have been the expansion being carried out by companies already established in the area and the modernisation of older premises for new and more profitable uses.

"*Liverpool still has a long* way to go," commented one local property expert. "Not least to overcome its unfortunate reputation, but some confidence and investment appears to be returning."

Martin Halsall

New towns

CONTINUED FROM PREVIOUS PAGE

10 factories under construction at the moment and there are nine being built at Moss Side, alongside which is a £34m test track and technical centre being built for *BL.*

Since Central Lancs is not a "new town" in the sense of most of the others in Britain, having three existing centres, it does not have to put up a purpose-built town centre. Instead, it *is* concentrating shopping developments in new villages, whose design and general architectural content will be very difficult to emulate.

● **Runcorn:** Two *industrial* estates have been built within the boundaries, Astmoor and Whitehouse, which by the end of last year had received 83 firms.

Success

Runcorn has been successful in attracting some very big names: Bass Charrington has a brewery Arthur Guinness a bottling and kegging plant, and YKK, the Japanese manufacturer of industrial fasteners, *brought in much-needed overseas* investment. Another foreign firm is Duni Bila, a Scandinavian manufacturer of paper tableware for hotels and airlines.

British Gypsum is putting up a *£13m plant which will turn* out insulation material and Reads, a subsidiary of American Canning, is to build a multi-million pound plant for production of the new two-piece can. This alone should provide about 150 *jobs.*

These are all on the Whitehouse estate and over at Astmoor, Schreiber Wood Industries has a 450,000 sq ft plant for manufacturing furniture which will provide some 1,000 jobs when *it is in full swing.*

Since the development corporation came into existence, *10,500 jobs have been created* within the designated area. The corporation is continuing to put up advance factories and at the moment units from as little as 3,200 sq ft to 15,000 sq ft are available.

● **Skelmersdale:** More problems have probably hit Skelmersdale than any other single new town in *Britain.* Being part of the Merseyside nexus it has inevitably suffered the social and *industrial problems* which have affected the whole area.

When Thorn and Courtaulds closed their factories in the area over 2,000 jobs disappeared. But the town believes it has mopped up that unemployment in the last two years and there are now *high hopes that a tenant will* be found for the Thorn works, before the end of this year.

Of the three industrial estates, one—Gillibrands—is full. Another, Pimbo, has most of the big projects including *BOC, Dunlop and Garratt Aire* Research but it still has 95 acres of land available. The remaining estate, Stanley, is at a relatively early stage of development.

Considering its many *problems, the achievements* at Skelmersdale have been praiseworthy. Nearly 4m sq ft of *factory* space has been completed and *more* than 100 firms attracted to the area. The corporation has set its face *against distribution warehouses,* in general, and sought (with the backing of Government grants) manufacturing users.

● **Warrington:** Unlike Skelmersdale, Warrington has made its pitch for the distribution firm. With *few* Government incentives to offer, it cannot hope to attract nearly so much manufacturing industry but its position *on the motorway* map has made it an ideal situation for warehousing. Its science park at Birchwood has also helped to attract high-technology concerns.

Warrington claims that a *quarter of Britain lives* within 50 miles of its boundaries. To cash in on this, it is stepping up its building programme. During the financial year just ended, the corporation attracted 42 companies and built a record *580,000 sq ft of factory space.* That brought in 2,000 jobs—another record.

Now Warrington is stepping up the pace. In the next 12 months it is to build over 1m sq ft of factory, office and warehouse accommodation which, it is anticipated, will create more than 1,500 jobs. The smallest *of these units will be 500 sq ft* and the largest 110,000 sq ft.

In addition to Birchwood Park, there are three other employment areas at Grange, Risley and Winwick Quay and others will be developed, as required.

Of the first 100 companies to be located in the corporation's area, 28 come from overseas—the largest proportion being from North America. *Warrington has made a big drive in that* market and expects to be rewarded soon with the announcement of another American entrant.

Anthony Moreton

FORTHCOMING PROPERTY SURVEYS

SCOTLAND	11th May	INDUSTRIAL	18th Sept.
INTERNATIONAL PROPERTY	30th May	OFFICE RELOCATION	19th Oct.
PROPERTY	23rd July	CITY OF LONDON	23rd Nov.

WORLD STOCK MARKETS

Wall St. slightly higher at mid-session

INVESTMENT DOLLAR PREMIUM
\$2.60 to £1—51¼% (53%)
Effective \$2.0780 20¾% (22%)

STOCKS ON Wall Street retained a firming tendency in active early dealings yesterday, but were beginning to slip back around mid-session.

The Dow Jones Industrial Average, after gaining 1.48 at noon, was a mere 0.35 harder on balance at 860.62 at 1 pm. The

Closing prices and market reports were not available for this edition.

NYSE All Common Index was 7 cents higher at \$57.40, after touching \$57.43, while gains outscored declines by a seven-to-four margin. Trading volume reached 21.64m shares, up from Wednesday's 20.12m.

The market continued to be helped by good corporate profit news and an easing of worries about possible credit tightening. Federal Reserve chairman Miller said on Wednesday that he has no intention of tightening credit *at the moment*.

Analysts noted, however, that the market hit a high for the year last week and has mainly lost ground since then. They added that with weekly banking statistics and short-term interest figures due later in the day, many traders would likely remain cautious.

Analysts said news that the U.S. economy grew by only 0.7 per cent in the first quarter made little impact, adding that there was confusion about the extent of the effect of winter weather.

American Motors, still on *sharply higher second-quarter* net earnings, topped the actives list and rose ⅜ to \$8⅞. However, active American Telephone, which reported *strong March* quarter profits on Wednesday, lost ¼ to \$60½.

Ashland Oil picked up ⅜ to \$44⅛ in active trading. It has completed the sale of some producing assets to Petro-Lewis for \$120.5m.

Among companies reporting first-quarter earnings gains, American Express put on ⅜ to \$31⅛, Union Carbide ¼ to \$38⅜ and *Burlington Northern* ⅜ to \$46⅜.

Alcoa added ⅜ at \$54⅛ on more-than-doubled first-quarter results. Some other concerns, however, whose March quarter net profits were higher lost ground. Wheeling Pittsburgh Steel declined 1⅜ to \$18⅞ and Time, which also raised the dividend, eased ¼ to \$38½.

THE AMERICAN SE Market Value Index was 0.89 higher at 181.28 at 1 pm after volume of 2.76m shares (2.06m).

McCulloch Oil topped the Amex actives list and gained ½ to \$7⅛. Meenan Oil, which advanced on Wednesday on reports of a more efficient oil burner process, added 2¼ at \$16⅝. Ranger Oil climbed 1⅛ *to \$18⅝*.

Resorts International "A" gained 1⅝ to \$47⅞ and Amdahl 2¼ to \$40⅛.

Canada

Markets moved strongly ahead in brisk trading yesterday morning. The Toronto Composite Index advanced 7.3 to 1,466.2 at mid-day, while Golds rose 31.9 *more* to 1,528.5. Oils and Gas climbed 16.4 to 2,180.8, Metals and Minerals 10.6 to 1,278.4 and Utilities 0.35 to 222.27, but Banks shed 0.51 to 307.25.

Among companies reporting higher first-quarter earnings, Cominco rose ⅜ to C\$36⅛, Canadian General Electric ¼ to C\$29 and Algoma Steel ⅜ to C\$28⅝.

Great Canadian Oil Sands advanced 4½ to C\$15. The company and another Sun Company subsidiary have modified proposed amalgamation terms.

Tokyo

A revival of buying interest for speculative stocks helped the market to halt its recent retreat.

The Nikkei-Dow Jones Average *recovered 6.24 to 6,064.87* and the Tokyo SE index picked up 0.64 to 442.79, although declines on the First Market section outscored rises by *356 to 276*. Trading was fairly active, with about 320m shares changing hands, but was well below Wednesday's 430m.

Toyota Motor advanced Y45 to Y985, while the group's associated stocks, such as Toyoda *Automatic Loom Works, also met* strong support on speculation that Toyota Motor will greatly improve its earnings in the second half year ending in June. News that its small-sized car sales in overseas markets are going well was *a factor behind* the active buying, brokers pointed out. Toyota Motor Sales strengthened Y46 to Y778, while Honda Motor also found favour and climbed Y8 to Y608.

Pharmaceuticals and Shipbuildings *also rose on speculative* buying, with Kaken Chemical gaining Y120 to Y2,120, Green Cross Y50 to Y1,930 and Mitsui Engineering and Shipbuilding Y7 to Y154.

However, reflecting the yen's rise against the dollar in the Tokyo foreign exchange market yesterday, some Light Electricals declined, with Sony losing Y50 to *Y2,220 and* TDK Electronic Y20 to Y1,930, but Matsushita Electric were Y12 up at Y727 and Pioneer Electronic Y30 firmer at Y2,310.

Oils encountered further profit-taking, Nippon Oil reacting Y90 to Y1,200, Arabian Oil Y100 to Y2,820 and Teikoku Oil Y17 to Y562.

Germany

Mostly higher levels prevailed in lively trading, with Motors and *Machine Manufacturers* making strong progress on encouraging news about the two industries. The Commerzbank index closed *2.9 firmer at 787.3*.

In Motors, Volkswagen climbed BMW DM 1.80. Dealers said news of all-time *record motor produc*tion in March stimulated buying in the sector.

Sharp rises in the Machines *group reflected reports from the* Hanover industrial fair that the overall outlook for West German machine makers was optimistic. *KHD advanced DM 4.50, GHH* DM 4.00, Linde DM 2.50 and Babcock DM 4.00.

In Utilities, lively demand pushed VEBA up DM 1.90, but traders said they did not know of any news that could have stimulated the buying.

Elsewhere, Krupp moved ahead DM 4.30 and Bayerische Vereinsbank added DM 3.50, while Horten, in Stores, put on DM 3.50.

Public Authority Bonds remained easier-inclined, with the Bundesbank purchasing DM 5.4m nominal of paper (DM 6.7m). Mark Foreign Loans relinquished some ground.

Paris

firmer bias in slightly more active trading than of late, helped by President Giscard D'Estaing's comments on growth and employment.

Gains predominated among Motors, Constructions, Rubbers, Hotels, Stores, Electricals, Metals and Oils. *Portfolios*, Foods and Textiles were mixed, while Chemicals eased.

BIC rose FFr 13 to FFr 577 after announcing higher 1978 profits, while Carrefour gained FFr 16 to FFr 1,805, also in re*sponse to an earnings increase.*

Among others to close notably stronger were Pretabail, Penhoet, Olida, Poliet, Club Mediterranee, Prenatal, Darty, Creusot-Loire, Pechiney, Elf-Aquitaine, Petroles BP, Puk and Sommer-Allibert.

Bouygues, in marked contrast, fell FFr 23 to FFr 890.

Hong Kong

Stock prices declined across the board in quiet trading following the previous night's *announcement of a 1.5 percentage* points increase in the local prime lending rate to 13 per cent. The Hang Seng index lost 9.04 to *530.54*.

Australia

With worries about interest rates continuing to undermine sentiment, stocks were again predominantly weaker. The Sydney All Ordinaries Index receded 4.76 more to 573.37 for a two-day fall of 10.88.

BHP remained under pressure and retreated another 24 cents to A\$9.54, while elsewhere on the Industrials boards, CSR, A\$3.60, ANI, A\$1.65, and Tooths, A\$1.75, were each 5 cents lower.

NOTES: Overseas prices shown below exclude \$ premium. Belgian dividends are after withholding tax.
◆ DM 50 denom. unless otherwise stated, yields based on net dividends plus tax.
♥ Pta 500 denom. unless otherwise stated.
♣ DKr 100 denom. unless otherwise stated.
◎ SwFr 500 denom. and Bearer shares unless otherwise stated. ¶ Y50 denom. unless otherwise stated. § Price at time of suspension. *a* Florins. *b* Schillings. *c* Cents. *d* Dividend after pending rights and/or scrip issue. *e* Per share. *f* Francs. *g* Gross div. %. *h* Assumed dividend after scrip and/or rights issue. *k* After local taxes. *m* % tax free. *n* Francs including Unilac div. *p* Nom. *q* Share split. *s* Div. and yield exclude special payment. *t* Indicated div. *u* Unofficial trading. *v* Minority holders only. *y* Merger pending. * Asked. † Bid. § Traded. ‡ Seller. *z* Assumed. *xr* Ex rights. *xd* Ex dividend. *xc* Ex scrip issue. *xa* Ex all. Δ Interim since increased.

NEW YORK

Stock	Apr. 18	Apr. 17
Abbott Labs	32⅜	31⅞
AM International	16¼	15⅝
Adobe Oil & Gas	25	24¾
Aetna Life & Cas.	44¼	44⅛
Air Products	27½	28⅝
Alcan Aluminium	36⅝	36⅛
Alcoa	53¾	53¼
Alleg. Ludium	17⅞	17⅝

Stock	Apr. 18	Apr. 17
Corning Glass	54⅞	54
CPC Int'rnation'l	50	50
Crane Co	30⅞	30¾
Crocker Natl	30⅛	29¼
Crown Zellerb'h.	33¾	33⅜
Cummins Engine	37⅛	36⅜
Curtiss Wright	14⅛	15
Dana	27½	27⅛
Dart Industries	42	42½

Stock	Apr. 18	Apr. 17
Johns Manville	23⅞	23¾
Johnson Johnson	69⅞	68¾
Johnson Control.	29⅞	29⅞
Joy Manufacturg	32¼	31½
K. Mart	25⅜	25⅜
Kaiser Alumini'm	20⅛	20⅜
Kaiser Industries	2¼	2½
Kaiser Steel	27⅜	27¼
Kaneb Services	15¼	15
Kay	16	15⅝

Stock	Apr. 18	Apr. 17
Revlon	47⅞	47⅜
Reynolds Metals	38⅛	38
Reynolds R.J.	56⅞	56⅞
Rich'son Merrell	22	22
Rockwell Inter	38	38⅛
Rohm & Haas	38⅛	37⅞
Royal Dutch	67⅛	66⅜
RTE	10⅜	10⅛
Ross Togs	10⅛	10⅛
Ryder System	23	22¾

Stock	Apr. 18	Apr. 17
Woolworth	28⅛	28⅛
Wyly	5½	5⅝
Xerox	55⅞	55⅝
Zapata	16½	16
Zenith Radio	14½	14
U.S. Treas.4% '80	†95⅛	†95¾
USTreas4¼%75/85	†81	†81½
U.S. 90-day bills	9.25%	9.47%

Indices

NEW YORK—DOW JONES

	Apr. 18	Apr. 17	Apr. 16	Apr. 12	Apr. 11	April 10	1979 High	1979 Low	Since Compil'tn High	Since Compil'tn Low
◆ Industr'ls	860.27	857.85	860.45	870.50	871.71	878.72	878.72 (10/4)	807.00 (27/2)	1051.70 (11/1/73)	41.22 (2/7/32)
H'me B'nds	84.08	84.27	84.21	84.35	84.35	84.45	85.50 (2/2)	84.08 (18/4)	—	—
Transport	252.62	250.96	251.25	253.35	255.69	255.25	255.25 (10/4)	205.78 (27/2)	279.88 (7/2/69)	12.23 (8/7/32)
Utilities	103.04	103.04	103.18	103.72	103.95	104.26	104.94 (5/4)	99.10 (2/1)	163.32 (20/4/69)	10.58 (28/4/42)
Trading vol 000's	29,590	23,530	28,160	26,310	33,050	31,990	—	—	—	—

◆ Day's high 865.90 low 856.38

	Apr. 12	Apr. 6	Mar. 30	Year ago (approx.
Ind. div. yield %	5.68	5.65	5.74	5.86

STANDARD AND POORS

	Apr. 18	Apr. 17	Apr. 16	Apr. 12	Apr. 11	April 10	1979 High	1979 Low	SinceC'mpil't'n High	SinceC'mpil't'n Low
‡Indust'ls	113.46	112.87	112.75	113.72	114.10	115.34	115.69 (3/7)	107.08 (27/2)	134.64 (11/1/73)	3.52 (30/6/32)
§Composite	101.70	101.24	101.12	102.00	102.31	103.34	103.34 (10/4)	96.13 (27.2)	125.85 (11/1/6)	4.40 (1/6/32

	April 11	April 4	Mar. 28	Year ago (approx).
Ind. div. yield %	5.08	5.97	4.99	5.36
Ind. P/E Ratio	8.67	8.70	8.66	8.56
Long Gov. Bond Yield	9.06	8.99	8.98	8.34

N.Y.S.E. ALL COMMON

Apr. 18	Apr. 17	Apr. 16	April 12	1979 High	1979 Low
57.33	57.05	57.05	57.53	58.18 (10/4)	53.88 (27/2)

Rises and Falls

	Apr. 18	April 17	Apr. 16
Issues Traded	1,895	1,901	1,900
Rises	933	636	352
Falls	498	776	1,169
Unchanged	464	489	379
New Highs	30	28	24
New Lows	15	17	23

MONTREAL	Apr. 18	Apr. 17	Apr. 16	April 12	1979 High	1979 Low
Industrial	244.25	244.48	246.16	248.81	250.31 (27/3)	219.19 (2/1)
Combined	247.97	247.77	249.25	249.84	250.88 (6/4)	225.88 (2/1)
TORONTO Composite	1466.9	1465.3	1461.3	1467.8	1475.1 (6/4)	1315.3 (2/1)
JOHANNESBURG Gold	232.9	229.4	(c)	255.3	290.7 (7/2)	225.4 (17/4)
JOHANNESBURG Industrial	310.6	301.7	(c)	313.7	323.0 (5/4)	279.5 (2/1)

	Apr. 19	Previous	1979 High	1979 Low
Australia (¶)	572.87	577.13	697.68 (19/3)	545.72 (2/1)
Belgium (‖)	108.54	108.07	106.58 (9/4)	98.80 (3/1)
Denmark (**)	95.68	95.33	95.83 (19/4)	88.52 (8/1)
France (††)	79.5	79.0	80.1 (9/4)	71.5 (15/2)
Germany (‡‡)	787.3	784.4	839.6 (16/1)	774.2 (25/3)
Holland (§§)	77.7	78.0	86.9 (24/1)	75.8 (21/3)
Hong Kong (¶¶)	530.54	539.58	563.90 (5/2)	493.83 (2/1)
Italy (‖‖)	73.80	72.81	78.46 (26/3)	69.75 (2/1)
Japan (n)	442.79	442.15	462.97 (31/1)	435.22 (10/4)
Singapore (b)	381.68	386.22	387.98 (11/4)	346.34 (23/2)
Spain (d)	102.74	105.72	111.86 (8/3)	93.03 (12/1)
Sweden (e)	393.11	387.98	401.34 (6/2)	362.05 (2/1)
Switzerld (f)	321.5	321.2	321.7 (17/4)	294.0 (3/1)

Indices and base dates (all base values 100 except NYSE All Common—50; Standards and Poors—10; and Toronto 300—1,000; the last named based on 1975). † Excluding bonds. ‡ 400 Industrials. § 400 Industrials, 40 Utilities, 40 Finance and 20 Transport. ¶ Sydney All Ordinary. ‖ Belgian SE 31/12/63. ** Copenhagen SE 1/1/73. †† Paris Bourse 1961. ‡‡ Commerzbank Dec. 1953. §§ Amsterdam Industrial 1970. ¶¶ Hang Seng Bank 31/7/64. ‖‖ Banca Commerciale Italiana 1972. *a* Tokyo New SE 4/1/68. *b* Straits Times 1966. *c* Closed. *d* Madrid SE 29/12/78. *e* Stockholm Industrial 1/1/58. *f* Swiss Bank Corporation. *u* Unavailable.

WEDNESDAY'S ACTIVE STOCKS

	Stocks traded	Closing price	Change on day
Genl. Pblic Util.	425,800	12⅞	−⅛
Chrn. Co. Wts.	424,500	7⅞	+1⅛
Fluor	415,600	40⅜	+⅛
Charter Co.	350,900	13⅜	+1⅛
Woolworth	327,900	28⅛	−⅛
Texas Ind.	320,600	14⅛	−⅛
Sony	306,200	10⅝	+⅛
McDermott	294,500	18⅝	−⅛
Revco D. S.	288,600	30⅜	+⅛
Sterling Drug	277,300	18⅜	+⅛

AUSTRALIA

Apr. 19	Aust. \$	+ or —
ACMIL (25 cents)	†0.65	+0.01
Acrow Australia	†1.10	−0.05
AMATIL \$1	†2.30	−0.01
Ampol Exploration	†1.50	−0.05
Ampol Petroleum	†0.69	+0.01
Assoc. Minerals	†1.85	
Assoc. Pulp Paper \$	†1.60	
Audimco 25 cents	†0.35	−0.05

STOCKHOLM

Apr. 19	Price Kronor	+ or —	Div. Kr.	Yld %
AGA AB (Kr. 40)	169	−2	6	3.5
Alfa Laval (Kr. 50)	129	+1	6	4.7
ASEA (Kr. 50)	66.5	−0.5	5	7.5
Atlas Cop. Kr25	105	−1	7	6.7
Billerud	66		—	—
Bofors	130		5	4.1
Cardo	175	+1	5.75	3.3
Cellulosa	260	−5	11	4.4
Elec'lux 'B' (Kr50)	108		6.25	5.8
Ericsson B (Kr50)	133	−1	5.5	4.1

BASE LENDING RATES

A.B.N. Bank	12 %
Allied Irish Banks Ltd.	12 %
Amro Bank	12 %
American Express Bk.	12 %
A P Bank Ltd.	12 %
Henry Ansbacher	12 %
Associates Cap. Corp.	14 %
Banco de Bilbao	12 %
Bank of Credit & Cmce.	12 %
Bank of Cyprus	12 %
Bank of N.S.W.	12 %
Banque Belge Ltd.	12 %
Banque du Rhône et de la Tamise S.A.	12½ %
Barclays Bank	12 %
Bremar Holdings Ltd.	13 %
Brit. Bank of Mid. East	12 %
■ Brown Shipley	12 %
Canada Perm't Trust	12 %
Cayzer Ltd.	12 %
Cedar Holdings	12 %
■ Charterhouse Japhet	12½ %
Choulartons	12 %
C. E. Coates	12 %
Consolidated Credits	13 %
Co-operative Bank	*12 %
Credit Lyonnais	12 %
The Cyprus Popular Bk.	12 %
Duncan Lawrie	12 %
Eagil Trust	12 %
English Transcont.	12½ %
First Nat. Fin. Corp.	15 %
First Nat. Secs. Ltd.	14 %
■ Antony Gibbs	12 %
Greyhound Guaranty	12 %
Grindlays Bank	‡12 %
■ Guinness Mahon	12 %
■ Hambros Bank	12 %
■ Hill Samuel	§13 %
C. Hoare & Co.	†12 %
Julian S. Hodge	13 %
Hongkong & Shanghai	12 %
Industrial Bk. of Scot.	12½ %
Keyser Ullmann	12 %
Knowsley & Co. Ltd.	13½ %
Lloyds Bank	12 %
London Mercantile	12 %
Edward Manson & Co.	13 %
Midland Bank	12 %
■ Samuel Montagu	12 %
■ Morgan Grenfell	12 %
National Westminster	12 %
Norwich General Trust	12 %
P. S. Refson & Co.	12 %
Rossminster	12 %
Royal Bk. Canada Tst.	12 %
Schlesinger Limited	12 %
E. S. Schwab	13 %
Security Trust Co. Ltd.	13 %
Shenley Trust	15 %
Standard Chartered	12 %
Trade Dev. Bank	12 %
Trustee Savings Bank	12 %
Twentieth Century Bk.	13 %
United Bank of Kuwait	12 %
Whiteaway Laidlaw	12½ %
Williams & Glyn's	12 %
Yorkshire Bank	12 %

■ Members of the Accepting Houses Committee.
* 7-day deposits 9½%, 1-month deposits 9¾%.
† 7-day deposits on sums of £10,000 and under 9½%, up to £25,000 10%, and over £25,000 10½%.
‡ Call deposits over £1,000 9½%.
§ Demand deposits 9½%.

Main wheat exporters plan talks

WASHINGTON — Bob Bergland, U.S. Agriculture Secretary, said he will attend a meeting of Ministers of major wheat exporting countries in Canada on May 10.

Mr. Bergland said he accepted the invitation of Otto Lang, Minister in charge of the Canadian Wheat Board, to attend the meeting in Saskatchewan.

He plans to discuss co-operation on measures to promote greater food security in developing countries. The Ministers will also review efforts to negotiate a new International Wheat Agreement, and possibilities for improved co-ordination of production and marketing policies among the major exporters.

U.S. Department of Agriculture officials said they were not completely sure who would attend the meeting, but they expected representatives from Argentina and probably Australia would be present.

Since the failure of negotiations on a new wheat pact, Mr. Bergland has said he agreed the major wheat exporters should try to work out some type of co-operative arrangements.

Reuter

Spring sowing delayed in Russia

By David Satter in Moscow

SERIOUS FLOODING in Byelorussia and eastern Poland, and unseasonably cold spring weather, have hampered spring sowing in the Soviet Union, which is off to its slowest start in the past seven years.

Selskaya Zhizn, the Soviet agricultural newspaper, said that as of April 16, spring crops had been sown on 11.3m hectares, of which 5.9m hectares was sown with grain. This is about half the normal area sown at this time of year.

U.S. agricultural experts, who closely monitor the Soviet harvest, expect sowings to fall further behind as the cold weather lingers in many parts of the Soviet Union while recent reports from Byelorussia indicate that ploughed areas intended for spring crops remain flooded.

There has been heavier than average winter "kill" in some grain growing areas this winter,

Producer moves boost coffee futures market

BY RICHARD MOONEY

COFFEE PRICES climbed to new six-month highs on the London futures market yesterday aided by news that Brazil and Colombia, the world's two biggest growers, had raised their export prices.

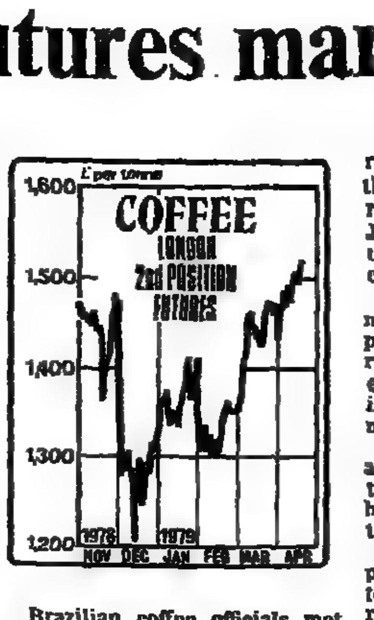
July delivery coffee ended the day £25 higher at £1,521.5 a tonne.

In Rio de Janeiro the Brazilian Coffee Institute (IBC) said it had increased its minimum export price to $1.35 a pound fro m$1.30 and its contribution-quota (export tax) to $60 per 60 kilo bag from $57.

At the same time the Colombian Monetary Board said it had raised the "confisco" — the amount coffee exporters must deposit with the Central Bank for each 70-kilo bag exported — to $202 from $188.40.

The Brazilian changes partly reflect the 2.87 per cent devaluation of the cruzeiro announced yesterday, and most London dealers thought its effect on actual export prices would be minimal. They said the export price rise merely "regularised" the prices already being demanded.

But the news was taken as confirmation that Brazil and other leading Latin American producers had agreed to harmonise their prices in an attempt to boost world markets.



Brazilian coffee officials met with representatives from leading Central American producing countries at the recent International Coffee Organisation meeting in London. The Central Americans have been "managing" the market for some time through the use of a $140m price stabilisation fund and it now appears that Brazil, which had previously stood apart from this scheme, has agreed to co-operate in attempts to boost prices.

Following yesterday's advance some dealers were suggesting that a further substantial price rise was on the cards. They said there had been considerable resistance at the £1,520 level in July and if this resistance was truly broken much higher prices could result.

On the London cocoa futures market meanwhile nearby positions continued Wednesday's rise with the better-than-expected West German grindings figure still affecting sentiment.

Uncertainty over setrling was a further background factor in the rise, which lifted July cocoa by another £9 to £1,558.5 a tonne.

Traders said the market was possibly overdue for an upward technical adjustment following recent declines to new contract lows. They said physical trading remained very quiet with producers generally standing aside from the market.

● The New York Coffee and Sugar Exchange and the New York Cocoa Exchange Boards have approved a merger of the two exchanges. Exchange members will vote on the merger plan on May 4.

If the vote is in favour the new exchange—to be called the Coffee, Sugar and Cocoa Exchange—will come into being on August 6, pending approval by the Commodity Futures Trading Commission.

Speculative sales hit copper

BY JOHN EDWARDS, COMMODITIES EDITOR

SPECULATIVE SELLING hit copper prices again yesterday on the London Metal Exchange.

Cash wirebars closed £27 lower at £994.5 a tonne, virtually wiping out the gains on Wednesday and bringing the market back to the lower level after Tuesday's sharp decline.

Traders said that the London market was following the downtrend in New York, where it is believed speculators disappointed by the failure of copper to move to higher ground are switching into precious metals instead encouraged by the proposed cutback in U.S. Treasury gold sales.

The undertone of the copper market remains firm, with most traders predicting higher prices in the months ahead. It is pointed out that warehouse stocks are continuing to decline and there are still cutbacks in supplies from the African copperbelt and Canada. Trade buying was noted at the lower levels yesterday, including possible purchases by China.

At the same time the cash price for cathodes again moved to a premium over the three months quotation emphasising the shortage of nearby supplies available to the market.

News that the Japanese Government is relaxing its embargo on copper exports had no impact on the market since it is thought there will be little to spare.

An inflow or copper imports, under special trade deals, and the release of stockpiled copper, is understood to have created a temporary rise in Japanese stocks to above normal levels.

But the Ministry of Trade and Industry made it clear that it would not approve any exports where these might seriously affect the world copper market—sales to the Metal Exchange and New York markets are specifically banned.

The embargo was originally imposed in November 1974 following protests by the main exporting countries that Japanese sales were undermining prices.

Meanwhile, a rise in the world export price of aluminium, announced by Alcan, provided further evidence of the tightening supply situation in that market too. LME aluminium, like lead and zinc, followed the downward trend in copper, but the fall was limited and the cash price remains at a small premium to the three months quotation.

Expectations of another supply squeeze in the tin market brought a sharp rise in the cash price, up by £200 to £7,295 a tonne. The three months quotation gained only £45 to £7,060.

Milk output reaches new peak

By Our Commodities Staff

Milk output in England and Wales in the 1978-79 season to March, 1979, rose to a record 12,736m litres, according to figures published by the Milk Marketing Board yesterday.

But the record total disguised a drop in sales of pints of milk. Liquid milk sales fell by 0.65 per cent to 6,526.3m litres, while sales for manufacturing into dairy products, such as butter, cheese and cream, rose by 8.2 per cent to 6,209m. litres.

Liquid sales in March totalled 557.8m litres against 505.7m in February and 552.1m in March, 1978. Manufacturing supplies took 532.4m litres in March, 441.8m in February and 519.9m in March, 1978.

The rise in milk output to record levels—1977-78 was the previous peak at 12,307m litres—has come at a time when higher prices have brought a decline in liquid sales, the most profitable outlet for farmers. However, the fall in liquid milk consumption seems to have slowed down with a decline of only 40m litres in 1978-79 compared with much steeper falls in previous years.

Short-term cut in egg prices

By Our Commodities Staff

A "SHORT TERM" cut in egg prices was announced yesterday by Goldenlay, the egg marketing consortium.

A spokesman said prices would be reduced on average by 4p a dozen. He said a surplus of supplies had built up in recent weeks, despite industry efforts to step up exports. At the same time a further backlog had built up, as usual, over the Easter holiday period when the shops are closed but the hens continue to lay.

There is expected to be a general fall in prices to help clear the surplus. But it was pointed out this was only a temporary measure since most producers are estimated to be suffering losses of between 8p to 12p a dozen.

FARMING

Looking for weather and price patterns

BY JOHN CHERRINGTON, AGRICULTURE CORRESPONDENT

THE APPALLING winter has prompted many people to look for parallels, so that some assessment can be made of future weather patterns. The popular idea at the moment is that bad winters come in 16-year cycles. As evidence, 1963 and 1947 were equally beastly.

Another weather milestone was way back in 1927 when a mild winter was followed by a spring drought of extraordinary severity, which continued through much of the summer. This drought has been blamed for starting the decline of British farming, which culminated in the depression of the thirties.

Farmers could have withstood the drought, as they usually can most natural calamities, unless they have been very improvident. The root cause of the depression in the 1930s was the abolition of the guaranteed prices granted by the Corn Production Act, which the Government of the day repealed during 1921.

It could be argued that over the last 50 years or more, the activities of governments, both in Britain and abroad, have had much more effect on farmers' viability than anything the weather can throw at them. It is also extremely difficult to be specific about the influence of the weather on farming profits and production.

Although it is a small country, Britain encompasses a wide range of soil and weather types. Systems of farming vary almost from parish to parish. The boundaries of drought, flood, frost and snow can be within a few miles of one another. It is thus impossible to generalise. In the old days, it was possible to say that prices would rise following poor harvests and fall after good ones. But, for the last century or more, better internal and overseas communications have made it possible for shortages to be relieved and gluts dispersed quite quickly.

Another significant cause of price fluctuations has been the statistics industry. Last autumn, for instance, the Ministry of Agriculture forecast a record harvest in Britain. Panic set in, huge subsidies were offered to traders to buy British barley for export to the Communist countries and others. However, when the traders started buying to load the ships, the barley did not seem to be there prices rose by some 25 per cent and are still very firm.

This is not the first time the Ministry crop estimators have been wrong, usually they have been prone to exaggerate yields. One can only conclude that their object has been to present the productivity of British farming in the most favourable light.

For those who wish to delve into the historic effects of seasons on farm prices, literature is scant. But not for want of trying by some authors. One of the first was Thomas Baker, a Wiltshire farmer who in 1880 and 1913 compiled a history of the subject, based on information going back to the Venerable Bede, and relying on the contemporary observations by himself and a few selected correspondents.

When Baker died in 1911, his work was taken up by the late Jack Stratton and others, and has recently been republished as Agricultural Records.* It is far from being an exhaustive study of the subject, but it contains some very interesting data, particularly about prices. Wheat prices are given accurately from the 15th century.

The work underlines the fact that there were other influences. For instance, wheat reached £28 a ton, its highest price for centuries in 1812 due not only to weather, but to the Napoleonic war, and never reached this level again until 1969. It is a great pity that no one has been able to show a comparative figure for land and other costs over the period.

Since the turn of the century, and particularly since 1921, that is within the memory of those contributing, the entries are full, and for the years 1969-75 The Times records have been published. With this and Ministry and other records, future historians will have, in contrast to Baker, an embarrassing mass of material to work on.

But, while analysing the records of past weather may be difficult, on contemporary history it is almost impossible. This is what Peter Wormell has attempted in An Anatomy of Agriculture,* an ambitious attempt to recount the development of British farming since the war.

The result is an interesting read for those who have been involved, but, published in 1978, it is already becoming out of date. Personalities and issues have changed. There is a mass of detail, even so whole sections are left out. For instance, the whole of Scottish farming hardly receives a mention.

But, from the mass of fact, hearsay and gossip, future historians will be able to distill a picture of the times, if indeed they are worth eventual historical analysis.

*Agricultural Records by J. M. Stratton and Jack Houghton Brow. (John Baker, 35 Bedford Row, London).
*Anatomy of Agriculture by Peter Wormell (Harrap Books, £12.50).

Aluminium price rise

BY OUR COMMODITIES EDITOR

ANOTHER RISE in the world export price for primary aluminium ingots, from $1,300 to $1,400 a tonne, was announced by Alcan Aluminium in Montreal. The last increase was just over tow months ago.

A company spokesman in London said that the increase reflected the tightening supply situation for aluminium worldwide.

However it was pointed out that hte new export price does not apply in European, Japanese and North American markets where there are existing domestic price structures.

In the UK for example, Alcan has to give pre-notification of any price increase to the Price Commission.

The Commission then has 28 days to raise any objections. The spokesman said the company had not notified the Commission of any proposed price increase at this stage.

BRITISH COMMODITY MARKETS

BASE METALS

COPPER—Lost ground on the London Metal Exchange. The fall in overnight U.S. markets saw forward metal open lower at £1,012 but small buying interest lifted the price to £1,014 initially. Thereafter the market came under pressure as stale bull liquidation triggered stop-loss selling which depressed forward material to the day's low of £990 on the afternoon kerb. However, a modest rally developed and the price edged up to close the late kerb at £994. Turnover 42,425 tonnes.

COPPER	a.m. Official	+ or —	p.m. Unofficial	+ or —
	£	£	£	£
Wirebars				
Cash	1005.5-7.5	+2.75	994-5	—27
3 months	1010.5-11	+.25	998-9	—23.7
Settl'm'nt	1007.5	+5	—	......
Cathodes				
Cash	1010-11	+3.5	998-7	—22.5
3 months	1006-7	—1	995.5	—28.5
Settl'm'nt	1011	+5	—	......
U.S. Smt.	—	......	*98-105.25	......

Amalgamated Metal Trading reported that in the morning cash wirebars traded at £1,001.5, 2, 5, 6, 7, three months £1,005, 6, 7, 6, 7, 8, 9, 10, 9.5, 9, 9.5, 10, 11. Cathodes, cash £1,010, three months £1,006, 1,007. Kerb: Wirebars, three months £1,012, 11.5. Afternoon: Wirebars, three months £1,012, 11.5, 10, 9, 9.5, 7, 5, 4, 2, 3, 3.5, 3, 2, 1, £1,000, 999, 96, 97, 96, 98, 97, 98, 99, 1,000, 999. Kerb: Wirebars, three months £992, 93, 92, 91, 91.5, 92, 93, 93.5, 93, 94, 95, 94, 93, 92.5, 92, 91, 91.5, 92, 91.5, 93, 92.5, 93, 94, 95, 94.5, 94.

TIN—Higher in active trading. The rise in the Penang market prompted a firm opening with forward metal quoted at £7,030. Bear covering and merchant covering pushed the price up to £7,060 with heavy pricing of cash metal widening the backwardation to around £140. In the afternoon renewed buying pressure and the reluctance of sellers saw cash material advance to £7,320, and this prompted a further gain in forward metal which touched £7,080 before closing at £7,070. Turnover 2,238 tonnes.

TIN	a.m. Official	+ or —	p.m. Unofficial	+ or —
High Grade	£	£	£	£
Cash	7210-20	+130	7290-300	+200
3 months	7090-100	+70	7090-100	+60
Settlem't	7220	+150	—	......
Standard				
Cash	7210-20	+150	7290-300	+200
3 months	7070-5	+67.5	7075-85	+45
Settlem't	7220	+150	—	......
Straits E.	‡1960	+15	—	......
New York	—	......		

Morning: Standard, cash £7,210, 20, three months £7,050, 60, 65, 70. Kerb: Standard, three months £7,075. Afternoon: Standard, cash £7,250, 7,310, three months £7,070, 65, 60, 55, 60, 90, 80. Kerb: Standard, three months £7,060, 70, 80, 70.

LEAD—Lower. After touching £519 on the early pre-market, forward metal fell away to £507 in the morning. A rally took the price up to £515 in the rings but it fell away sharply, as copper tumbled, to close the late kerb at £510. Turnover 11,875 tonnes.

Morning: Cash £538, 40, three months £509, 8, 9, 10, 13, 12, 13, 14, 13, 14.

LEAD	a.m. Official	+ or —	p.m. Unofficial	+ or —
	£	£	£	£
Cash	539.5-40.5	—4.5	535-7	—16.5
3 months	514-.5	—5.75	511-2	—11
Sett'ment	540.5	—4.5	—	......
U.S. Spot	—	......	*48	......

Kerb: Three months £515, 14, 14.5, 14. Afternoon: Three months £513, 12, 11, 12. Kerb: Three months £510, 9, 10, 9.5, 10, 11.

ZINC—Held steady in very quiet trading, with forward metal moving between £382 and £386 prior to closing the late kerb at £384. Turnover 2,950 tonnes.

ZINC	a.m. Official	+ or —	p.m. Unofficial	+ or —
	£	£	£	£
Cash	375.5-6.5	+4	374.5-5.5	—.85
3 months	386.5-8	+4	386-.5	—.5
S'ment	376.5	+3.5	—	......
Prim.west	—	......	*37.5-8.5	......

Morning: Three months £383, 84, 86, 87, 88. Afternoon: Three months £388, 87, 87.5, 86, 85.5, 86.5. Kerb: Three months £383, 84.

ALUMINIUM—Down. The downturn in copper caused a similar trend in aluminium with forward metal easing to £736 in the morning. However, news that Alcan had increased its export price by $100 prompted a rally to £745. The market failed to maintain this level as a further fall in copper pared the price to £537 prior to a close on the late kerb of £539.5. Turnover 4,300 tonnes.

Alumin'm	a.m. Official	+ or —	p.m. Unofficial	+ or —
	£	£	£	£
Spot	745-6	+15	739-40	—3.5
3 months	744-.5	+18.2	738-9	—2.75

Morning: Cash £743, 46, three months £741, 43, 44, 45, 44.5. Afternoon: Three months £744, 38. Kerb: Three months £737, 37.5, 38.5, 38.5.

* Cents per pound. ‡ $M per picul. † On previous unofficial close.

SILVER

[illegible]

COCOA

Values traded quietly over a narrow range, reported Gill and Duffus.

[illegible]

COFFEE

[illegible]

GRAINS

IMPORTED—Wheat: CWRS No. 1, 13½ per cent, unquoted. U.S. Dark Northern Spring No. 2, 14 per cent. April/mid-May 91.75, May 91.25, June 90.25, transhipment East Coast. U.S. Hard Winter, 13½ per cent, unquoted. EEC unquoted. Maize: U.S./French May 112.00, transhipment East Coast. South [illegible]

RUBBER

[illegible]

SOYABEAN MEAL

[illegible]

SUGAR

[illegible]

£279.50 (same) a tonne for home trade and £182.50 (same) for export. Sales: 71 (74) lots of 100 tonnes.

WOOL FUTURES

LONDON GREASY—Close (in order buyer, seller): May 240.0, 245.0; July 247.0, 253.0; Oct., Dec., March, May [illegible]

COTTON

[illegible]

MEAT/VEGETABLES

[illegible]

Per 28 lb 1.60-2.50. Rhubarb—Per pound outdoor 0.07-0.08, indoor 0.16. Tomatoes—Per pound 0.35-0.40. Swedes—Per 28 lb 1.20-1.30. Turnips—Per 28 lb 1.20-1.30. Parsnips—Per 28 lb 1.20-1.40. Cucumbers—Tray 12/18s 2.00-2.40. Cauliflowers—12s 3.00-3.50.

MEAT COMMISSION—Average fatstock prices at representative markets on April 19: G.B. cattle 74.48p per kg. l.w. (+2.00). UK sheep 197.7p per kg. est.d.c.w. (+14.0). GB pigs 59.5p per kg. l.w. (+0.4). England and Wales—Cattle numbers no comparison per cent, average price 75.25p (+1.04). Sheep numbers up 97.9 per cent, average price 197.7p (+14.1). Pig numbers no comparison per cent, average price 59.5p (+0.4). Scotland—Cattle numbers down 6.2 per cent, average price 72.50p (+1.58).

PRICE CHANGES

In tonnes unless otherwise stated.

	Apr. 19 1979	+ or —	Month ago
[illegible]			

AMERICAN MARKETS

NEW YORK, April 18.

PRECIOUS METALS closed sharply higher on Commission House buying and some stoploss buying on reports that the U.S. Treasury will reduce its quantity on future gold sales by 50 per cent. Copper closed sharply lower on speculative selling electing sell stops. Cocoa closed slightly higher on Commission House short-covering. Sugar finished steady on light trade buying, Bache reported.

Cocoa—May 138.90 (137.25), July 141.15 (140.00), Sept. 143.65, Dec. 146.65, March 148.80, May 150.10, July 151.40, Sept. unquoted. Sales: 750.

This edition went to press before the latest U.S. commodity prices were available.

Coffee—"C" Contract: May 142.00-142.25 (142.00), July 144.75-144.90 (144.15), Sept. 147.00-147.25, Dec. 146.50-146.75, March 145.50-145.70, May 145.25-146.40, July nil. Sales: 1,008.

Copper—April 91.45 (93.00), May 91.80 (93.15), June 92.25, July 92.90, Sept. 93.00, Dec. 93.10, Jan. 93.10, March 93.00, May 92.90, July 92.80, Sept. 92.70, Dec. 92.60, Jan. 92.50.

Cotton—No. 2: May 58.05-58.15 (59.50), July 59.65-59.70 (59.95), Oct. 61.50-61.55, Dec. 61.50-61.54, March 62.95-63.30, May 64.00-65.00, July 65.00-65.50, Oct. 66.25-66.75. Sales: 6,650.

*Gold—April 240.30 (233.40), May 241.00 (234.20), June 242.50, Aug. 246.70, Oct. 251.00, Dec. 255.30, Feb. 259.70, April 264.10, June 268.50, Aug. 272.90, Oct. 277.30, Dec. 281.70, Feb. 286.20.

*Platinum — April 389.60 - 389.80 (380.70), May 387.40-387.80 (379.00), June 386.90-387.10, July 383.50-384.50, Oct. 383.00-383.50, Jan. 385.70-385.90, April 387.50-387.70, July 390.50-390.70, Oct. 393.30-393.50.

¶Silver—April 750.60 (739.50), May 752.50 (742.00), June 750.80, July 764.80, Sept. 775.30, Dec. 790.00, Jan. 794.70, March 804.20, May 813.80, July 823.40, Sept. 833.00, Dec. 847.70, Jan. 852.40. *Handy and Harman spot 753.00 (727.50).

Sugar—No. 11: May 7.86 (7.76), July 8.33 (8.20), Sept. 8.69, Oct. 8.78, Jan. 9.15, March 9.51, May 9.70, July 9.93, Sept. 10.12.

CHICAGO, April 18.

Lard—Chicago loose 26.00 (same). New York prime steam 27.50 traded (28.00).

Live Cattle—April 78.02-78.87 (78.30), June 76.55-76.75 (77.56), Aug. 74.30-74.10, Oct. 71.60-72.00, Dec. 72.00-71.87 asked, Jan. 71.70 asked, Feb. 72.30-71.82, April 72.82, June 73.00, Aug. 72.30. Sales: 38,857.

Live Hogs—April 47.25-47.35 (47.65), June 50.35-50.45 (49.87), July 51.15-51.05, Aug. 47.45-47.47, Oct. 44.00 bid-43.80, Dec. 44.20, Feb. 43.75 asked-43.70, April 41.87 asked, June 43.50 bid. Sales: 7,156.

Silver—April 750.5 (739.8), May 752.0 nom. (742.2), June 758.0-759.0, Aug. 770.0-769.0, Oct. 779.0, Dec. 791.0, Feb. 800.5, April 810.0, June 819.5, Aug. 829.0, Oct. 838.5, Dec. 848.5, Feb. 858.5, April 868.5, June 878.5, Aug. 889.0 nom. Oct. 899.5 nom., Dec. 910.0 nom.

‡Soyabeans—May 726-28 (738½), July 741-739 (751½), Aug. 735, Sept. 714, Nov. 696-695½, Jan. 705-706½, March 717½, May 725.

||Soyabean Meal—May 192.60-192.40 (193.90), July 196.50-196.20 (198.30), Aug. 197.30-197.50, Sept. 195.50-195.70, Oct. 191.50, Dec. 190.50-191.00, Jan. 191.00-192.00, March 195.00-195.60, May 196.50-197.00.

Soyabean Oil — May 25.80-25.82 (26.42), July 26.12-26.18 (26.63), Aug. 26.10-26.15, Sept. 25.60, Oct. 25.15-25.20, Dec. 24.80-24.85, Jan. 24.80-24.85, March 24.85-24.80, May 24.80, July 24.75-24.80.

WINNIPEG, April 18. §Rye—May 104.00 asked (104.10), July 103.40 (103.30 bid), Oct. 104.10 bid, Dec. 103.50 asked.

§Barley—May 87.80 bid (88.10 asked), July 87.50 bid (86.80 bid), Oct. 89.90 bid, Dec. 89.10 bid, March 89.90 asked.

§Oats—May 86.00 asked (84.50), July 84.10 (82.20), Oct. 86.60 asked, Dec. 85.30 asked, March 87.30.

§Flaxseed—May 329.00 bid (328.50 bid), July 327.00 bid (325.00 bid), Oct. 318.50 bid, Nov. 309.00 bid, Dec. 306.40 bid.

All cents per pound ex-warehouse unless otherwise stated. * $ per troy ounce. ¶ Cents per troy ounce. ‡‡ Cents per 56-lb bushel. † Cents per 60-lb bushel. || $ per short ton (2,000 lbs). § $Can. per metric ton. §§ $ per 1,000 sq. feet. ‡ Cents per dozen.

EUROPEAN MARKETS

PARIS, April 19.

Cocoa: (FFr per 100 kilos) May 1368-1370, July 1372-1400, Sept. 1404-1408, Dec. 1430-1440, March 1430, May 1445. Sales at call five, accumulative total 64.

ROTTERDAM, April 19.

Maize—U.S. No. 3 Corn, Yellow, afl, 127, April 126.75, May 126.50, June 126, July-Sept. 125.50, Oct.-Dec. 126.50, Jan.-March 132.50.

Rye—U.S. No. 2/Canadian Western unquoted.

Oats—All unquoted.

Sorghum—Argentine/U.S. spot 120, mid-April/mid-May 109, May 112, June 112.

Barley—1/2 Canadian feed April 111.50, May 111.50.

HGCA—Location ex-farm spot prices. Feed wheat: N. Lincoln 101.60. Feed barley: N. Lincoln 95.90.

The UK monetary coefficient for the week beginning April 23 (based on HGCA calculations) is expected to decrease to 1.194.

INDICES

FINANCIAL TIMES

Apr. 18	Apr. 17	M'nth ago	Year ago
272.68	272.30	272.03	239.82

(Base: July 1, 1952=100)

DOW JONES

Dow Jones	Apr. 18	Apr. 17	Month ago	Year ago
Spot	383.92	382.27	380.03	359.68
F'tur's	384.26	383.66	385.16	357.32

(Average 1924-25-26=100)

MOODY'S

Apr. 18	Apr. 17	M'nth ago	Year ago
1053.4	1046.7	1064.7	903.7

(December 31, 1931=100)

REUTERS

Apr. 19	Apr. 18	M'nth ago	Year ago
1545.3	1542.5	1570.6	1448.0

(Base: September 18, 1931=100)

Rise in cotton yield forecast

MANILA — Philippines cotton output is expected to yield about 3,000 tonnes from 3,614 hectares in the crop year 1978-79, or just under 1 tonne a hectare, against 650 kilos a hectare from the same overall area in 1977-78, the Government-controlled Philippines Cotton Corporation said.

Edgardo Agravante, executive vice-president told Reuter the self-sufficiency target of 115,000 hectares each producing approximately 1 tonne of cotton should be reached well within the next decade

Reuter

Futures in Sydney

SYDNEY — Trading in boneless beef futures began quietly on the Sydney futures exchange yesterday.

The boneless beef market is the fourth commodity quoted on the Exchange.

In Manila, the Philippine trade ministry said it was offering the technical services of the ministry's management group to help establish a commodity market with a clearing house as a guarantor of futures.

The exchange would initially deal in copra and coconut oil and later gold, copper, rice, corn and various kinds of timber.

The Philippines National Bank may be asked to establish the exchange.

Reuter

LONDON STOCK EXCHANGE

Anticipated new-time demand fails to materialise and equities follow new setback in Government stocks

Account Dealing Dates
Option

*First Dealings	Declarations	Last Dealings	Account Day
Apr. 9	Apr. 19	Apr. 20	May 1
Apr. 23	May 3	May 4	May 15
May 8	May 17	May 18	May 30

* "New time" dealings may take place from 9.30 am two business days earlier.

Equity dealers looked in vain yesterday for the "new-time" demand which was widely forecast to arise and so give the industrial sections a firm lead into the next fortnightly trading Account covering the May 3 general election. Attention thus reverted to Gilt-edged which went lower on further profit-taking and leading shares followed.

Sizeable selling from three broking houses set the trend in Government stocks and, once again, buyers showed little incentive despite the MORI poll of an increased Tory lead and the better tone in sterling. Longer-dated stocks were soon another full point down, but a brief respite occurred on the latest money supply figures which, apart from bank lending, were better than generally anticipated.

The ground retrieved in the funds was, however, subsequently surrendered and both mediums and longs closed at the day's lowest with falls in one or two instances stretching beyond a point. The recently-issued Exchequer 11 per cent 1991 (£15-paid) went down to £13¾, or 1¼ discount on the issue price. Shorter-dated funds lost ⅜ initially, rallied fully on the money stock figures but turned easier again to end with falls ranging to ¼.

An increased flow of company trading announcements, some from industry leaders, relieved the generally dull scene in equities and the volume of business was helped by isolated two-way institutional activity in a couple of top-name concerns. The price trend was measured by a fresh fall of 5.4 in the FT 30-share index at 2 pm before bear-closing reduced the loss to 4.2 at the final calculation of 530.2.

Selling ahead of the expected announcement giving details of the Hudson's Bay bid situation lowered the investment currency premium which closed 1¾ points down at 51¼ per cent. Business otherwise was again subdued. Yesterday's SE conversion factor was 0.8244 (0.8169).

A slight contraction of business in Traded options saw a total of 1,243 deals completed compared with Wednesday's 1,365. Among the more active issues, Boots attracted 182 contracts, while BOC, 177, and EMI, 174, were also in demand.

Following the disappointing annual results, Clive relinquished 3 to 104p in otherwise firmer Discounts. Alexanders picked up 5 to 285p as did Allen Harvey and Ross, to 385p. Home banks continued to drift a shade on lack of support. Reflecting overseas influences, Hong Kong and Shanghai dipped 5 to 148p.

Insurances had little to commend them and the trend was usually lower. Ahead of Monday's annual figures, London United Investments cheapened 2 to 178p.

Breweries and kindred issues drifted lower on small selling. Bass slipped 3 to 224p, while Whitbread shed 2 to 135p. Talk of a forthcoming offer from U.S. brewers Schlitz unsettled Matthew Clark which accompanied by talk of a strong denial being formulated, shed 4 to 162p. Other Distilleries came under slight pressure with Highland easing 4 to 94p.

Trading statements and news items were usually responsible for noteworthy movements in the Building sector. Standing a couple of pence easier awaiting the annual results, Blue Circle gave further ground on the announcement and touched 332p before dividend considerations prompted a late rally which left the price 8 down on balance at 340p. RMC however, turned in annual profits above market estimates and touched 170p before settling a net 2 higher at 168p. Elsewhere, Brown and Jackson jumped 40 for a three-day gain of 70 to 540p in a thin market on bid possibilities, but Modern Engineers of Bristol reverted to unchanged at 58p, after 60p, following the annual results and proposed one-for-five scrip issue. Streeters of Godalming encountered support and improved 2 to 32p.

ICI eased 2 to 396p in a limited business, but recently dull Fisons staged a modest rally and hardened 3 to 289p.

Bentalls down

Secondary issues attracted most of the interest in Stores. News of the second-half profits slowdown depressed Bentalls which fell 8 to 39p, while profit-taking after the recent speculative rise on bid hopes left Bakers Household with a similar fall, at 92p. Moss Bros., on the other hand, gained 13 to 235p on demand in a thin market and S. Casket hardened 2 to 48p in response to the sharp increase in interim earnings. Comment on the results helped Harris Queensway improve 2 to 244p. Knott Mill, 27p, were suspended along with Kitchen Queen at 44p on the announcement that bid discussions are taking place.

The leaders traded quietly and closed mixed; F. W. Woolworth picked up a penny to 82p as the market awaited further news of the bid situation regarding its American parent company.

Electrical majors again eased on small selling, GEC fell to 407p before recovering to 410p for a net loss of 2, while Decca A eased 3 for a two-day fall of 14 at 389p.

Occasional offerings and the absence of support made for quietly dull conditions in the Engineering leaders. John Brown drifted off to close 12 cheaper at 543p, while Tubes lost 6 to 404p and GKN, 277p, and Hawker, 250p, relinquished 4 apiece. Elsewhere, Ash and Lacy firmed 4 to 156p following the sharp rise in earnings, while Hall closed a similar amount dearer at 134p. Comment on the record profits helped Delta Metal touch a 1979 peak of 82½p before closing a fraction harder at 81½p. London and Midland Industries declined 6 to 119p, Ransomes Simms and Jefferies cheapened 5 to 168p and Simon gave up 8 to 324p.

William Low featured generally easier Supermarkets with a rise of 14 to 118p in response to the excellent interim profits. Among quietly dull Foods, Cadbury Schweppes eased 2 to 59½p and Rowntree Mackintosh 9 to 413p, while United Biscuits gave up 3 to 85p and Spillers a penny to 46p. British Sugar however, continued to respond to a broker's favourable review and added 3 for a two-day gain of 5 to 157p, after 158p.

A gloomy broker's review of the packaging and paper industry unsettled Reed International, 184p, and Metal Box, 330p, which declined 6 and 4 respectively. Other miscellaneous industrial leaders continued their downward drift with Pilkington 8 lower at 375p and Unilever 6 down at 602p. Suits, however, resisted the general trend and gained 4 to 192p awaiting fresh developments in the Lonrho bid situation. Elsewhere, Leadenhall Sterling added 10 to 162p in response to the higher profits and proposed 12f-or-10 scripe issue, while B.B. and E.A. jumped 13 to 105p on renewed demand in a thin market. James Wilkes came in for support at 79p, up 5, while improvements of 6 and 7 respectively were recorded in Barlow Rand, 252p, and E. Fogarty, 244p. Photo-Me hardened a couple of pence o 350p following the mid-term figures but Northern Engineering declined 3 to 126p despite the good increase in preliminary profits and a proposed 100 per cent scrip-issue. Annual results from Myson disappointed and the shares dipped 4½ to 73p, while Hawker Marris gave up 5 to 160p for a similar reason. Still reflecting adverse comment, Sothebys eased 3 more to 345p, while profit-taking prompted a reaction of 6 to 140p in Initial Services.

In the Leisure sector, Highgate Optical weakened 5 to 25p and recently firm Horizon Midlands slipped 4 to 244p.

With the downturn in profits no worse than expected, Dunlop firmed a penny in active trading to finish at 71p helped by the maintained dividend. Supra added a like amount to 60p following the confident statement and capital proposals. Press comment highlighting potential profits from Ford dealerships lifted selected Distributors. Tate of Leeds featured with a rise of 4 to 110p after 112p, while Alexanders hardened a penny to 18p. Harold Perry, with results due on Tuesday, eased 7 to 167p. Lex gave up 2 at 106½p, and Henlys slipped 4 to 129p.

Websters Publications firmed 1½ to 57p ahead of today's annual results, while Oxley Printing added 3 to 75p in front of the preliminary statement which is expected on Tuesday.

Properties succumbed to a bout of small scrappy selling which left Land Securities and MEPC 4 lower at 288p and 177p respectively. Following acquisitions news, Beaumont eased 3 to 116p.

Press comment on the annual results prompted a sizeable turnover in Burmah which reacted 8 to 119p, after 117p, on profit-taking. Annual profits below the interim prediction left Hunting Petroleum 8 cheaper at 120p. Leading Oils remained subdued; British Petroleum eased 8 to 1180p, but Shell rallied from 732p to close just a penny off on balance at 737p. Elsewhere, Oil Exploration shed 6 to 242p and Ultramar gave up 4 to 306p, after 304p, while Siebens UK relinquished 12 to 238p.

Press comment helped Caledonia to a rise of 3 at 290p, but the trend in Trusts was usually downwards. New Throgmorton Capital fell 10 to 198p. Among Financials, dealings in Haw Par were suspended at 46p following a temporary halt in Far-East trading.

A good trade developed in Courtaulds which firmed a penny to 103p, while Carpets International added 2 to 73p. Bid rumours continued to lift Bond Street Fabrics, 3½ better for a two-day rise of 6 at 50p.

Reflecting a paucity of institutional support, Tobaccos tended easier with Bats losing 3 to 308p and Imperial 2½ to 104½p.

Plantations closed with modest falls following Eastern advices—but Inch Kenneth moved against the trend with a rise of 5 to 115p in a narrow market.

Golds up again

South African Golds continued to draw strength from the decision of the U.S. Treasury to halve the amount of gold offered at future monthly auctions.

Renewed firmness in the bullion price in overnight U.S. markets—it rose $2.50 to $240.375 an ounce in London yesterday for a two-day gain of $8.25—prompted further U.S. buying which carried over into London and pushed up prices throughout the day.

In one or two cases prices eased a fraction from their best levels but overall gains were sufficient to lift the Gold Mines index a further 3.7 to 140.9—a two-day improvement of 11.0. The ex-premium index put on 4.1 to 116.2.

March quarter profits from the Anglo American group mines and the interim dividend announcements from the group's Orange Free State mines were not known during market hours.

Among heavyweights, Western Holdings were outstanding and finally a half-point higher at £17½ in front of the better-than-forecast dividend, while Free State Geduld preceded the dividend announcement with a ½ gain to £13½. Medium- and lower-priced stocks showed President Steyn 31 better at 635p and Welkom 21 higher at 286p.

South African Financials were generally a shade lower owing to the easier investment premium. General Mining and De Beers both gave up 5 to 425p and 370p, the latter following news of a two-day strike at Consolidated Diamond Mines in Namibia (South West Africa).

Middle Wits, on the other hand, put a like amount to 245p on further consideration of the profits recovery at the Prieska base-metal mine.

Rio Tinto-Zinc were prominent in London-registered Financials; immediately following the increased dividend and higher profits the shares climbed to 320p but subsequently eased back on profit-taking to close 4 up on balance at 314p.

NEW HIGHS AND LOWS FOR 1979

The following securities quoted in the Share Information Service yesterday attained new Highs and Lows for 1979.

NEW HIGHS (86)

BANKS (1)
Sturla

BUILDINGS (6)
Brown & Jackson — M.D.W.
Crouch Group — Modern Engineers
Fairclough Const. — R.M.C.

CHEMICALS (1)
Catalin

STORES (5)
Church — Greenfields
Dewhirst — Maple
Dixons Photographic

ELECTRICALS (2)
Brocks — Philips Fin. 5¾pc

ENGINEERING (7)
Ash & Lacy — Delta Metal
Aurora — Folkes (J.) Hefo N-V
Clayton, Son — Hall Eng.
Cook (W.) (Sheffield)

FOODS (3)
Barr (A. G.) — Low (Wm.)
Lovell (G. F.)

INDUSTRIALS (19)
Aero & General — Hill (Chas.)
Amber Inds. — Hoskins & Horton
Billam (J.) — Lead Inds.
BB & EA — Leadenhall Sterling
Crosby Spring — Magnolia Group
De La Rue — Marling Inds.
Duple Intl. — Provincial Laundries
Elson & Robbins — Utd. Carriers
Finlas Hldgs. — Wilkes (J.)
Fogarty (E.)

LEISURE (1)
Boosey & Hawkes

MOTORS (3)
Alexanders — Tate of Leeds
Jessups

NEWSPAPERS (3)
Daily Mail 'A' — Sharpe (W. N.)
Portsmouth Sunderland

PROPERTY (4)
Carrington Inv. — Lond. & Provl. Shop
Finance & Industrial — Town Centre Props.

SHIPPING (2)
Brit. & Com'wealth — Lyle Shipping

SHOES (1)
Garnar Scotblair

TEXTILES (3)
Bond St. Fabrics — Hicking Pentecost
Carpets Intl.

TRUSTS (24)
Caledonia Inv. — River Plate Defd.
Claverhouse — Safeguard Ind.
Hambros — Scot. Cities A
Investing in Success — Scot. East Inv.
Law Debenture — Triplevest Inc.
London & Holyrood — Trustees Corp.
London & Lennox — Tyneside Inv.
London & Prov. — Utd. British Secs.
Lond. & Strathclyde — U.S. & Genl. Trust
Monks Inv. — Winterbottom
Northern American — Young & Co's Inv.
River & Mercantile — M. & G. Hldgs.

MINES (1)
South African Land

NEW LOWS (37)

BRITISH FUNDS (1)
Excher. 11pc 1991

AMERICANS (15)
C.P.C. — First Chicago
Caterpillar Tractor — I.B.M.
Chrysler — Owens Illinois
City Inv. — Quaker Oats
Crown Zellerbach — Rexnord
Esmark — Shell Oil
Exxon — Texaco
Firestone Tire

CANADIANS (1)
Trans. Canada Pipe

BUILDINGS (1)
Jennings

ENGINEERING (1)
Stothert & Pitt

INDUSTRIALS (4)
Emhart Corp. — Hay (Norman)
Hallam Sleigh — Nu-Swift

INSURANCE (1)
Comb. Ins. America

LEISURE (1)
Highgate Optical

PROPERTY (1)
HK Land

TEXTILES (4)
Beales (J.) — Snia Viscosa
British Enkalon — Do. Priv.

TRUSTS (1)
Challenge Corp.

MINES (6)
BH South — North West Mining
Conzinc Riotinto — Pancontinental
Endeavour — Ayer Hitam

LONDON TRADED OPTIONS

Option	Ex'rc'se price	July Closing offer	July Vol.	Oct. Closing offer	Oct. Vol.	Jan. Closing offer	Jan. Vol.	Equity close
BP	1150	128	—	150	—	—	6	1178p
BP	1300	36	—	68	—	—	10	"
Com. Union	160	26	11	28	—	32	—	174p
Com. Union	180	12	4	17	—	20	—	"
Cons. Gold	220	25	10	36	—	—	1	230p
Cons. Gold	240	13	7	21	10	—	—	"
Courtaulds	100	12	4	14	1	18	—	103p
Courtaulds	110	6½	3	10½	5	14	—	"
Courtaulds	120	4	5	6	—	—	—	"
Courtaulds	130	2	10	—	—	—	—	"
GEC	420	36	35	51	1	71	—	410p
Grand Met.	120	57	—	59½	10	—	—	168p
Grand Met.	130	47	1	49½	1	—	—	"
Grand Met.	140	37	—	41	1	—	—	"
Grand Met.	160	23½	9	29	—	33	7	"
Grand Met.	180	13	51	20	7	25	8	"
ICI	390	31	20	42	—	51	5	397p
ICI	420	17	—	25	—	36	5	"
Land Secs	300	18	22	39	—	41	—	289p
Marks & Sp.	100	29	10	32	—	—	—	121p
Marks & Sp.	110	21	6	25	—	30	—	"
Marks & Sp.	120	15	33	19	—	24	1	"
Marks & Sp.	130	10	188	15	—	20	—	"
Shell	550	233	8	—	—	—	—	734p
Shell	700	90	—	118	14	138	—	"
Shell	750	47	12	70	—	112	18	"
Totals			365		50		64	

Option	Ex'rc'se price	May Closing offer	May Vol.	August Closing offer	August Vol.	November Closing offer	November Vol.	Equity close
BOC Intl.	70	8	—	11½	20	15	7	75p
BOC Intl.	80	3½	125	6	56	8½	—	"
Boots	200	34	5	41	—	49	—	228p
Boots	220	18	5	26	—	33	—	"
Boots	240	8	67	16	6	20	—	"
Boots	260	3	29	—	—	—	—	"
EMI	120	13	17	23	—	28	—	127p
EMI	130	7½	55	18	12	24	10	"
EMI	140	3½	79	11	12	19	10	"
EMI	160	1¼	—	4½	1	—	—	"
ImperialGp	100	10	41	14½	5	16	—	105p
ImperialGp	110	4½	57	9	—	10½	—	"
RTZ	280	38	29	60	7	78	15	314p
RTZ	300	26	6	48	—	67	—	"
RTZ	330	12	19	37	34	49	—	"
Totals			582		122		42	

EQUITIES

Issue Price p:	Amount Paid Up	Latest Renunc. Date	1979 High	1979 Low	Stock	Closing Price p:	+ or −	Div. P. or Amount	Times Covered	Gross Yield	P.E. Ratio
‡95	F.P.	—	194	160	††Appl. Computor ...	160	−5	0.7	11.0	0.7	19.7
65	F.P.	20/2	174	68	Caledonian Hldgs. ..	174	......	67.3	1.6	6.3	14.8
**	F.P.	16/2	170	118	Hunting Assoc. Defd.	165	..	—	—	—	—
**	F.P.	9/2	44	31	M. Y. Dart Defd........	44	...	—	—	—	—

FIXED INTEREST STOCKS

Issue Price £	Am'unt Paid Up	Latest Renunc. Date	1979 High	1979 Low	Stock	Closing Price £	+ or −
99¾	F.P.	—	99¾	99¾	Cleveland (County of) Var. Rate 1984....	99¾	......
‖	—	—	53	52¾	Eng. Assoc. Sterling Fd. Part. Red. Prf..	53	......
100	F.P.	4/5	106p	103p	Grant (James) 10¾% Pref.	105p	.....
96	£20	23/5	25	19½	ICFC 12½% Uns Ln 1992	24½	+¼
¶	F.P.	27/7	102	99	Lee Valley Water 8% Red. Prf. 1986	102	+½
**	—	11/5	108p	105p	Lyles (S.) 11% Cum. Pref.	106p	......
72½	—	—	79	70½	MEPC 6½% Conv. Uns. Ln. 1995-2000	77½xd	......
**	F.P.	26/4	180p	106p	Tricoville 10¾% Pref.	106p	......

"RIGHTS" OFFERS

Issue Price p:	Am'unt Paid up	Latest Renunc. Date ●	Latest Renunc. Date ■	1979 High	1979 Low	Stock	Closing prices p:	+ or −
200c	Nil	—	—	10pm	4pm	Abercom Invs.	4pm	−1
12	Nil	27/4	18/5	8½pm	4½pm	Armour Trust	6½pm	−½
165	Nil	—	—	43pm	37pm	Beatson Clark	38pm	−4
115	F.P.	30/3	20/4	160	147	Brammer (H.)	159	......
60	F.P.	6/3	27/4	89	66	Burco Dean	82	......
88	F.P.	30/3	27/4	117	99	Cement-Roadstone	99	......
20	Nil	27/4	1/6	78½pm	74pm	Crest Nicholson	74pm	−2
33	F.P.	22/3	4/5	48½	38	Hirst & Mallinson	48	−1½
185	F.P.	23/3	18/5	235	210	Johnson Matthey	233	+1
67	F.P.	7/3	20/4	109	74½	Macpherson (D)	103	......
5p	Nil	—	—	7pm	3pm	Maddock	5pm	......
34	Nil	24/4	12/6	26pm	15½pm	Norfolk Cap. Hotels	15½pm	−1½
44	Nil	19/4	31/5	29½pm	25pm	Park Place Invs.	25pm	−1
225	F.P.	12/3	20/4	298	252	Rank Org.	278	......
27	F.P.	14/3	25/4	37	33½	Sekers Intl.	37	......
20	Nil	27/4	15/6	9pm	7½pm	Singlo Holdings	9pm	......
100	Nil	27/4	18/5	20pm	15pm	Unicorn Inds.	20pm	......

Renunciation date usually last day for dealing free of stamp duty. b Figures based on prospectus estimate. g Assumed dividend and yield. u Forecast dividend: cover based on previous year's earnings. F Dividend and yield based on prospectus or other official estimates for 1979. Q Gross. T Figures assumed. ‡ Cover allows for conversion of shares not now ranking for dividend or ranking only for restricted dividends. § Placing price to public. pt Pence unless otherwise indicated. ¶ Issued by tender. ‖ Offered to holders of ordinary shares as a "rights." ** Issued by way of capitalisation. §§ Reintroduced. ¶¶ Issued in connection with reorganisation, merger or takeover. ‖‖ Introduction. □ Issued to former preference holders. ■ Allotment letters (or fully-paid). ● Provisional or partly-paid allotment letters. ✱ With warrants. †† Unlisted security.

FINANCIAL TIMES STOCK INDICES

—	April 19	April 18	April 17	April 12	April 11	April 10	A year ago
Government Secs.	74.54	74.92	75.66	75.84	75.80	75.80	71.83
Fixed Interest	76.72	77.00	77.34	77.25	77.11	76.79	75.08
Industrial	530.2	534.4	538.9	541.9	538.7	535.7	464.8
Gold Mines	140.9	137.2	129.9	134.1	144.2	144.1	134.7
Gold Mines (Ex-$ pm)	116.2	112.1	105.7	108.4	116.5	117.9	92.0
Ord. Div. Yield	5.46	5.42	5.38	5.35	5.38	5.40	5.90
Earnings, Yld. % (full)	14.60	14.48	14.38	14.31	14.32	14.28	17.61
P/E Ratio (net) (*)	8.81	8.89	8.95	9.00	8.96	8.91	7.66
Dealings marked	4,341	3,929	4,116	4,399	4,493	4,834	4,995
Equity turnover £m.	—	78.42	63.16	136.45	97.67	93.62	68.33
Equity bargains total	—	14,924	13,090	25,181	13,456	16,902	13,742

10 am 534.0. 11 am 532.5. Noon 531.0. 1 pm 529.9. 2 pm 529.0 3 pm 530.6.
Latest Index 01-246 8026.
* Nil 6.49.

Basis 100 Govt. Secs. 15/10/26. Fixed Int. 1928. Industrial Ord. 1/7/35. Gold Mines 12/9/55. Ex-$ premium index started June, 1972. SE Activity July-Dec. 1942.

HIGHS AND LOWS

—	1979 High	1979 Low	Since Compilat'n High	Since Compilat'n Low
Govt. Secs.	75.84 (12/4)	64.64 (8/2)	127.4 (9/1/35)	49.18 (3/1/75)
Fixed Int.	77.34 (17/4)	66.05 (13/2)	150.4 (28/11/47)	50.53 (3/1/75)
Ind. Ord.	541.9 (12/4)	446.1 (12/2)	549.2 (14/9/77)	49.4 (26/6/40)
Gold Mines	183.8 (6/2)	129.9 (17/4)	442.3 (22/5/75)	43.5 (26/10/71)
Gold Mines (Ex-$ pm)	125.6 (26/3)	95.2 (12/1)	337.1 (3/4/74)	54.3 (25/6/75)

S.E. ACTIVITY

—	April 19	April 18
—Daily		
Gilt Edged	98.2	96.5
Industrials	160.0	143.6
Speculative	39.2	30.6
Totals	98.8	89.4
5-d'y Av'r'ge		
Gilt Edged	100.0	103.2
Industrials	157.3	150.5
Speculative	30.8	28.5
Totals	96.9	99.1

ACTIVE STOCKS

Stock	Denomination	No. of marks	Closing price (p)	Change on day	1979 high	1979 low
Shell Transport	25p	12	737	− 1	778	556
Burmah Oil	£1	11	119	− 8	127	82
GEC	25p	11	410	− 2	433	311
BP	£1	10	1,180	− 8	1,206	882
Hambro Life Ass.	25p	9	615	—	615	385
Courtaulds	25p	8	103	+ 1	122	102
ICI	£1	8	396	− 2	406	346
Allied Breweries	25p	7	97	− 1	102	80
Ultramar	25p	7	306	− 4	318	210
Woolworth (F.W.)	25p	7	82	+ 1	87	62
Beecham	25p	6	693	+ 3	755	592
Cons. Gold Fields	25p	6	230	− 2	234	178
Glaxo	50p	6	505	− 5	600	463
GKN	£1	6	277	− 4	286	226
Imperial Group	25p	6	104½	− 2½	108	82

OPTIONS

DEALING DATES

First Dealings	Last Dealings	Last Declaration	For Settlement
Apr. 18	Apr. 30	Jul. 12	Jul. 24
May 1	May 14	Jul. 26	Aug. 7
May 15	May 29	Aug. 9	Aug. 21

For rate indications see end of Share Information Service.

In a quiet options business, calls were dealt in UDT, S. and W. Berisford, Avana, GEC, Ladbroke Warrants, Hawley Leisure, Inveresk, A. G. Stanley, Bolton Textile, Burmah, Spillers, B. Wardle, Burton Warrant and M. F. North. No puts were recorded, while doubles were arranged in Baker Perkins and Britannia Arrow.

RISES AND FALLS YESTERDAY

	Up	Down	Same
British Funds	—	73	10
Corpns., Dom. and Foreign Bonds	4	21	39
Industrials	168	484	864
Financial and Prop.	60	158	290
Oils	3	24	11
Plantation	1	14	17
Mines	28	65	57
Recent Issues	3	8	23
Totals	267	837	1,311

FT-ACTUARIES SHARE INDICES

These indices are the joint compilation of the Financial Times, the Institute of Actuaries and the Faculty of Actuaries

	EQUITY GROUPS & SUB-SECTIONS (Figures in parentheses show number of stocks per section)	Thurs., April 19, 1979 Index No.	Day's Change %	Est. Earnings Yield % (Max.)	Gross Div. Yield % (ACT at 33%)	Est. P/E Ratio (Net)	Wed., April 18 Index No.	Tues., April 17 Index No.	Thurs., April 12 Index No.	Wed., April 11 Index No.	Year ago (approx.) Index No.
1	CAPITAL GOODS (172)	270.34	−0.8	15.33	5.10	8.82	272.54	274.60	275.54	272.66	199.45
2	Building Materials (27)	254.21	−0.8	15.28	5.28	8.53	256.39	258.49	259.13	256.05	178.64
3	Contracting, Construction (28)	417.23	−0.8	19.02	4.96	7.32	420.68	420.35	418.84	414.52	313.79
4	Electricals (14)	652.97	−0.5	11.95	2.93	11.45	656.40	666.81	673.90	662.31	416.25
5	Engineering Contractors (12)	394.72	−1.7	17.60	5.74	7.52	401.37	403.64	401.64	393.78	292.46
6	Mechanical Engineering (75)	201.08	−0.9	16.77	5.75	7.92	202.97	203.71	204.10	202.73	161.03
8	Metals and Metal Forming (16)	179.36	−0.8	16.43	8.65	8.07	180.74	181.15	181.07	179.54	160.40
11	CONSUMER GOODS (DURABLE) (53)	246.75	−0.9	14.46	4.41	9.19	249.04	250.31	250.68	248.58	184.23
12	Lt. Electronics, Radio, TV (16)	334.47	−1.0	11.33	3.17	12.48	337.99	340.74	341.69	339.56	216.55
13	Household Goods (12)	175.81	−0.2	16.85	6.78	8.20	176.14	177.08	176.26	174.63	166.61
14	Motors and Distributors (25)	127.47	−0.8	20.69	6.59	5.95	128.51	128.32	128.31	126.65	116.67
21	CONSUMER GOODS (NON-DURABLE) (170)	253.27	−0.8	14.13	5.19	9.19	255.23	256.75	257.46	255.51	194.27
22	Breweries (14)	288.13	−1.0	13.21	5.22	9.60	291.14	293.74	295.01	294.04	221.73
23	Wines and Spirits (6)	328.00	−0.7	14.27	4.56	10.23	330.19	331.78	333.17	333.00	253.53
24	Entertainment, Catering (17)	354.58	−0.9	13.31	5.41	10.00	357.73	359.87	361.85	359.08	247.98
25	Food Manufacturing (19)	220.48	−1.5	17.73	5.12	7.23	223.80	224.61	226.11	225.64	187.41
26	Food Retailing (15)	299.52	−0.6	10.76	3.94	12.63	301.41	301.96	303.07	300.95	190.20
32	Newspapers, Publishing (12)	465.19	−0.1	19.56	5.51	7.25	465.54	465.67	464.60	461.80	337.78
33	Packaging and Paper (15)	147.82	−1.3	17.43	7.38	7.40	149.72	149.38	150.37	150.25	126.74
34	Stores (40)	256.34	−0.1	9.88	3.78	14.07	256.68	259.07	258.65	257.70	178.90
35	Textiles (23)	177.86	−0.2	18.33	8.54	7.05	178.27	179.58	179.05	178.87	170.59
36	Tobaccos (3)	268.11	−1.5	21.24	7.68	5.41	272.13	273.13	275.10	273.86	235.50
37	Toys and Games (6)	94.20	−2.0	23.55	6.97	5.01	96.08	96.83	95.70	95.11	96.85
41	OTHER GROUPS (99)	221.73	−0.5	14.47	5.78	8.59	222.88	223.36	223.50	222.34	181.39
42	Chemicals (18)	310.78	−0.5	16.13	6.32	7.26	312.19	312.15	312.62	311.96	245.79
43	Pharmaceutical Products (7)	260.56	—	10.37	4.55	11.87	260.54	261.96	262.66	263.19	242.72
44	Office Equipment (6)	144.13	−1.2	14.02	5.66	8.99	145.86	148.18	149.26	148.02	126.40
45	Shipping (10)	444.69	—	13.60	6.84	9.33	444.55	442.27	439.70	437.75	408.84
46	Miscellaneous (58)	254.06	−0.8	15.43	5.79	8.54	256.14	256.35	255.94	252.98	191.86
49	INDUSTRIAL GROUP (494)	257.16	−0.7	14.54	5.25	8.95	259.05	260.45	261.06	259.47	198.12
51	Oils (6)	660.29	−0.4	11.95	3.29	8.90	662.96	668.26	670.58	673.89	449.29
59	500 SHARE INDEX	290.09	−0.7	14.10	4.92	8.94	292.06	293.76	294.51	293.19	219.08
61	FINANCIAL GROUP (115)	204.84	−0.4	—	5.05	—	205.74	206.67	208.07	206.83	159.56
62	Banks (6)	241.96	−0.4	27.58	5.00	4.68	242.96	244.98	247.26	248.06	189.98
63	Discount Houses (10)	266.81	−0.1	—	6.93	—	267.14	268.97	268.28	268.63	193.11
64	Hire Purchase (5)	188.64	−1.5	17.00	4.68	7.59	191.44	192.26	191.65	187.73	143.01
65	Insurance (Life) (10)	170.66	−0.7	—	6.22	—	171.88	172.50	175.20	173.70	128.92
66	Insurance (Composite) (8)	146.96	−0.2	—	6.41	—	147.32	147.27	147.96	146.03	123.77
67	Insurance Brokers (10)	320.32	−0.7	15.49	5.99	9.29	322.71	325.26	327.75	324.47	329.82
68	Merchant Banks (14)	97.75	+0.5	—	5.34	—	97.28	97.57	98.02	96.67	75.52
69	Property (42)	343.45	−0.7	3.22	2.42	49.12	345.88	348.18	349.81	347.82	214.63
70	Miscellaneous (10)	126.51	+0.3	17.82	6.56	6.98	126.17	125.14	124.93	124.58	105.45
71	Investment Trusts (111)	238.57	−0.2	—	4.61	—	238.97	236.80	237.31	234.12	197.61
81	Mining Finance (4)	133.99	+0.4	14.03	5.38	8.78	133.47	131.48	131.87	132.39	98.58
91	Overseas Traders (20)	363.55	−0.9	13.82	6.93	9.20	366.69	368.33	369.83	367.81	295.99
99	ALL-SHARE INDEX (750)	266.64	−0.6	—	4.98	—	268.21	269.37	270.25	269.00	203.21

FIXED INTEREST PRICE INDICES

	British Government	Thurs., April 19	Day's change %	xd adj. today	xd adj. 1979 to date
1	Under 5 years	107.42	−0.10	0.28	3.01
2	5-15 years	121.34	−0.64	—	2.90
3	Over 15 years	127.14	−0.73	—	4.95
4	Irredeemables	139.56	−0.69	—	1.78
5	All stocks	117.77	−0.47	0.12	3.66

FIXED INTEREST YIELDS Br. Govt. Av. Gross Red.

			Thurs., April 19	Wed., April 18	Year ago (approx.)
1	Low Coupons	5 years	9.31	9.23	8.36
2		15 years	10.28	10.18	10.70
3		25 years	10.86	10.77	11.21
4	Medium Coupons	5 years	10.91	10.85	10.50
5		15 years	11.57	11.47	11.98
6		25 years	11.72	11.61	12.15
7	High Coupons	5 years	11.32	11.23	10.99
8		15 years	11.96	11.85	12.57
9		25 years	11.99	11.88	12.73
10	Irredeemables		10.68	10.60	10.90

		Thurs., April 19 Index	Thurs., April 19 Yield %	Wed. April 18	Tues. April 17	Thurs. April 12	Wed. April 11	Tues. April 10	Mon. April 9	Fri. April 6	Year ago (approx.)
15	20-yr. Red. Deb & Loans (15)	60.81	12.21	60.80	60.86	60.72	59.81	59.78	59.61	59.38	58.72
16	Investment Trust Prefs. (15)	52.93	13.23	52.83	52.65	52.56	52.10	51.32	51.56	51.28	58.96
17	Coml. and Indl. Prefs. (20)	74.78	12.50	74.78	74.75	74.75	73.20	73.05	73.05	72.79	70.84

† Redemption yield. Highs and lows record, base dates and values and constituent changes are published in Saturday issues. A list of the constituents is available from the Publishers, the Financial Times, Bracken House, Cannon Street, London, EC4P 4BY, price 13p, by post 22p.

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Abbey Unit Tst. Mngrs. (a)

Allen Harvey & Ross Unit Tst. Mngrs.

Allied Hambro Group (a) (g)

Anderson Unit Trust Managers Ltd.

Ansbacher Unit Mgmt. Co. Ltd.

Arbuthnot Securities Ltd. (a)(c)

Archway Unit Tst. Mgs. Ltd. (a)(c)

Barclays Unicorn Ltd.

Baring Brothers & Co. Ltd.

Bishopsgate Progressive Mgmt. Co.

Bridge Fund Managers (a)(c)

Britannia Trust Management (a)(g)

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Brown Shipley & Co. Ltd.

Canada Life Unit Tst. Mngrs. Ltd.

Capel (James) Mngt. Ltd.

Carliol Unit Fd. Mgrs. Ltd. (a)(c)

Charities Official Invest. Fund

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Crescent Unit Tst. Mngrs. Ltd. (a)(g)

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Equity & Law Un. Tr. M.

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Framlington Unit Mgt. Ltd. (a)

Friends' Provdt. Unit Tr. Mgrs.

Funds in Court

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G. & A. Trust (a) (g)

Gartmore Fund Managers (a)(g)

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Govett (John)

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Lloyd's Life Unit Tst. Mngrs. Ltd.

M & G Group (y)(c)(z)

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Midland Bank Group Unit Trust Managers Ltd.

Minster Fund Managers Ltd.

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National and Commercial

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National Westminster (a)

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Norwich Union Insurance Group (b)

Pearl Trust Managers Ltd. (a)(g)(z)

Pelican Units Admin. Ltd. (g)(x)

Perpetual Unit Trust Mngmt. (a)

Practical Invest Co. Ltd. (y)(c)

Provincial Life Inv. Co. Ltd.

Prudl. Portfolio Mngrs. Ltd. (a)(b)(c)

Quilter Management Co. Ltd.

Reliance Unit Mgrs. Ltd.

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Rothschild Asset Management (g)

Rowan Unit Trust Mngt. Ltd. (a)

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J. Henry Schroder Wagg & Co. Ltd.

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Security Selection Ltd.

Stewart Unit Tst. Managers Ltd. (a)

Sun Alliance Fund Mngt. Ltd.

Target Tst. Mngrs. Ltd. (a)(g)

Target Tst. Mgrs. (Scotland) (a) (b)

Trades Union Unit Tst. Managers

Transatlantic and Gen. Secs. Co. (y)

Tyndall Managers Ltd.

TSB Unit Trusts (y)

Ulster Bank (a)

Unit Trust Account & Mgmt. Ltd.

Wieler Growth Fund

INSURANCE AND PROPERTY BONDS

Abbey Life Assurance Co. Ltd.

Albany Life Assurance Co. Ltd.

AMEV Life Assurance Ltd.

Barclays Life Assur. Co. Ltd.

Beehive Life Assur. Co. Ltd.

Canada Life Assurance Co.

Cannon Assurance Ltd.

Capital Life Assurance

Charterhouse Magna Gp.

Chieftain Assurance Funds

City of Westminster Assur. Co. Ltd.

City of Westminster Assur. Soc. Ltd.

Commercial Union Group

Confederation Life Insurance Co.

Cornhill Insurance Co. Ltd.

Credit & Commerce Insurance

Crown Life Assurance Co. Ltd.

Crusader Insurance Co. Ltd.

Eagle Star Insur./Midland Assur.

Equity & Law Life Ass. Soc. Ltd.

Gartmore Bonds

General Portfolio Life Ins. C. Ltd.

Gresham Life Ass. Soc. Ltd.

Growth & Sec. Life Ass. Soc. Ltd.

Guardian Royal Exchange

Hambro Life Assurance Limited

Hearts of Oak Benefit Society

Hill Samuel Life Assur. Ltd.

Imperial Life Ass. Co. of Canada

Irish Life Assurance Co. Ltd.

King & Shaxson Ltd.

Langham Life Assur. Co. Ltd.

Legal & General (Unit Assur.) Ltd.

Legal & General Prop. Fd. Mgrs. Ltd.

Life Assur. Co. of Pennsylvania

Lloyds Life Assurance

London A'deen & Nthn. Mtl. Assur. Ltd.

London Indemnity & Gnl. Ins. Co. Ltd.

London Life Linked Assur. Ltd.

The London & Manchester Ass. Gp.

M & G Group

Merchant Investors Assurance

NEL Pensions Ltd.

NPI Pensions Management Ltd.

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Norwich Union Insurance Group

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Phoenix Assurance Co. Ltd.

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Tyndall Assurance/Pensions

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Vanbrugh Pensions Limited

Welfare Insurance Co. Ltd.

Windsor Life Assur. Co. Ltd.

OFFSHORE AND OVERSEAS FUNDS

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Allen Harvey & Ross Inv. Mgt. (C.I.)

Arbuthnot Securities (C.I.) Limited

Australian Selection Fund NV

Bank of America International S.A.

Banque Bruxelles Lambert

Barclays Unicorn Int. (Ch. Is.) Ltd.

Barclays Unicorn Int. (I.o.Man)

Bishopsgate Commodity Ser. Ltd.

Bridge Management Ltd.

Britannia Tst. Mngmt. (C.I.) Ltd.

Brown Shipley Tst. Co. (Jersey) Ltd.

Butterfield Management Co. Ltd.

Capital International S.A.

Charterhouse Japhet

Clive Investments (Jersey) Ltd.

Cornhill Ins. (Guernsey) Ltd.

DWS Deutsche Ges. F. Wertpapiersp

Delta Group

Deutscher Investment-Trust

Dreyfus Intercontinental Inv. Fd.

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The English Association

Eurobond Holdings N.V.

F. & C. Mgmt. Ltd. Inv. Advisers

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Fidelity Mgmt. Research (Jersey) Ltd.

First Viking Commodity Trusts

Fleming Japan Fund S.A.

Free World Fund Ltd.

G.T. Management Ltd.

Gartmore Invest. Ltd. Ldn. Agts.

Hambro Pacific Fund Mgmt. Ltd.

Hambros (Guernsey) Ltd.

Henderson Baring Fund Mgrs. Ltd.

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Hill Samuel Invest. Mgmt. Intnl.

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Jardine S.E.A. ... SUS16.89 ... 2.10

Jardine Flem. Int. ... HK$12.86 ... —

Intl. Pac. Secs. (Inc.) ... HK$13.76 ... —

Do. (Accum.) ... HK$13.96 ... —

NAV March 30. *Equivalent US$81.88. Next sub. day April 12.

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King & Shaxson Mgrs.

Kleinwort Benson Limited

Lloyds Bk. (C.I.) U/T Mgrs.

Lloyds Bank International, Geneva

M & G Group

Samuel Montagu Ldn. Agents

Murray, Johnstone (Inv. Adviser)

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Negit S.A.

Negit Ltd.

Pacific Basin Fund

Phoenix International

Quest Fund Mngmnt. (Jersey) Ltd.

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Rothschild Asset Management (C.I.)

Rothschild Asset Mgt. (Bermuda)

Royal Trust (C.I.) Fd. Mgt. Ltd.

Save & Prosper International

Schlesinger International Mngt. Ltd.

Schroder Life Group

J. Henry Schroder Wagg & Co. Ltd.

Sentry Assurance International Ltd.

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Wren Commod Tst. ... 58.6 ... 59.1 ... —

NOTES

Prices do not include $ premium, except where indicated ♦, and are in pence unless otherwise indicated. Yields % (shown in last column) allow for all buying expenses. a Offered prices include all expenses. b Today's prices. c Yield based on offer price. d Estimated. g Today's opening price. h Distribution free of UK taxes. p Periodic premium insurance plans. s Single premium insurance. x Offered price includes all expenses except agent's commission. y Offered price includes all expenses if bought through managers. z Previous day's price. ♥ Net of tax on realised capital gains unless indicated by ♦. § Guernsey gross. # Suspended. ♦ Yield before Jersey tax. † Ex-subdivision. ‡‡ Only available to charitable bodies.

FT SHARE INFORMATION SERVICE

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"Shorts" (Lives up to Five Years)

[illegible]

Five to Fifteen Years

[illegible]

Over Fifteen Years

[illegible]

Undated

[illegible]

INTERNATIONAL BANK

[illegible]

CORPORATION LOANS

[illegible]

COMMONWEALTH & AFRICAN LOANS

[illegible]

LOANS

Public Board and Ind.

[illegible]

Financial

[illegible]

FOREIGN BONDS & RAILS

1979 High	1979 Low	Stock	Price £	+ or –	Div. % Gross	Red. Yield
23	22	Antofagasta Rly...	22	.....	—	—
40	39	Do 5pc Pref......	40	.....	—	—
98	98	Chilean Mixed.....	98	.....	—	13 10

BONDS & RAILS—Cont.

[illegible]

U.S. $ & DM prices exclude inv. $ premium

AMERICANS

[illegible]

S.E. List Premium 21% (based on US$2.0815 per £)
Conversion factor 0.8244 (0.8169)

CANADIANS

[illegible]

S.E. List Premium 21% (based on $2.3809 per £)

BANKS AND HIRE PURCHASE

[illegible]

BANKS & HP—Continued

[illegible]

Hire Purchase, etc.

[illegible]

BEERS, WINES AND SPIRITS

[illegible]

BUILDING INDUSTRY, TIMBER AND ROADS

[illegible]

CHEMICALS, PLASTICS

[illegible]

CHEMICALS, PLASTICS—Cont.

[illegible]

DRAPERY AND STORES

[illegible]

ELECTRICAL AND RADIO

[illegible]

ENGINEERING MACHINE TOOLS

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ENGINEERING—Continued

[illegible]

FOOD, GROCERIES, ETC.

[illegible]

FOOD, GROCERIES—Cont.

[illegible]

HOTELS AND CATERERS

[illegible]

INDUSTRIALS (Miscel.)

[illegible]

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INDUSTRIALS—Continued

1979 High	Low	Stock	Price	+ or −	Div. Net	C'vr	Y'ld Gr's	P/E
19½	12¾	Hawtin 5p	17	−¼	—	—	—	17.2
78	62	Hay (Norman) 10p	62	−2	3.7	φ	9.2	φ
168	136	Hay's Wharf £1	152	−2	5.52	2.7	5.4	9.1
42	27	Hensher 'A' 10p	33	−2	d1.1	6.3	3.2	4.8
111	74½	Hepworth Cmic.	107xd	.....	3.68	q3.7	5.1	6.9
76	60	Hestair	64	−2	16.99	3.1	16.3	(2.5)
38	25	Hewitt (J.) 5p	34	−4	1.28	6.3	5.9	3.6
55	50	Highgate & Job 10p	51	.....	‡2.54	2.4	‡	8.5
100	80	Hill (Chas.) £1	100	+3	‡7.37	—	‡	—
‡49½	29	Hirst Mal'son 20p	48	−1½	12.6	3.6	8.1	4.9
85	78	Holden (A.)	83	.....	q3.62	3.9	6.5	6.6
75	63	Hollis Bros	73	−1	†4.56	1.8	9.3	8.9
193	151	Holt Lloyd Int. 10p	182	−1	†7.11	2.0	5.8	13.2
222	162	Hoover 'A'	180	.....	12.0	φ	10.0	φ
158	130	Hoskins & H 20p	158	+5	h10.39	2.0	9.8	13.5
39¼	23½	Howard Tenens	36	−3	1.91	1.9	7.9	8.3
220	142	Hunting Assoc.	220	.....	†h1.99	9.2	1.4	12.1
89	48	Huntleigh 10p	71	−2	0.76	φ	1.6	φ
74	46	Hutch Whamp $HK1	46	.....	Q23c	φ	4.8	φ
33	23	Hyman (I. & J.) 5p	30	−1	0.96	φ	4.9	φ
102	95	††IAS Cargo Air	98	.....	Pd2.8	2.5	4.3	10.9
147	135	Do. 6% Cm. Pref.	147	.....	6.0%	11.2	6.1	—
£20⅝	£15¼	I.C. Industries $1	£15½	+¼	Q$1.52	—	4.9	—
545	420	ICL £1	508	−5	8.29	7.4	2.5	6.0
480	358	Imp. Cont. Gas £1	468	+3	q9.96	3.3	3.2	11.0
33	29	Ingall Inds. 10p	32xd	.....	†1.87	1.6	8.7	10.6
146	88½	Initial Services	140	−6	‡5.06	2.8	5.4	9.4
29	16	Inter-City 20p	28½	−½	†0.61	2.7	3.2	17.5
163	72	Jacksons Bourne	140	.....	‡‡2.0	4.4	2.1	16.0
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

INSURANCE—Continued

1979 High	Low	Stock	Price	+ or −	Div. Net	C'vr	Y'ld Gr's	P/E
262	188	Gen. Accident	244	−2	9.04	—	5.6	—
284	210	G.R.E.	268	−4	11.6	—	6.6	—
615*	385	Hambro Life	615	.....	23.8	—	6.0	—
280	220	Heath (C.E.) 20p	248	−2	†4.90	5.4	3.0	8.6
146	105	Hogg Robinson	125	−2	†h4.18	3.1	5.0	9.8
137	113	Howden (A.) 10p	114xd	.....	7.0	φ	9.2	φ
190	138	Legal & Gen. 5p	180xd	−1	6.51	—	5.4	—
158	118	Lon. & Man. 5p	154	−4	7.24	—	7.2	—
196	176	London United 20p	178	−2	m3.83	4.3	3.3	10.7
205	167	Matthew Wr. 20p	200	.....	11.05	φ	8.6	φ
194	153	Minet Hldgs. 20p	153	.....	3.72	q3.9	3.7	9.6
60	36	Moran (Chris) 20p	38	.....	†3.62	1.4	14.2	7.4
304	216	Pearl 5p	302	−2	14.05	—	7.2	12.0
306	218	Phoenix	270	−2	11.56	—	6.5	—
158	134	Provident	158	.....	9.12	φ	8.9	φ
197	134	Prudential	181xd	−1	8.06	—	6.6	—
168	134	Refuge 5p	166	−2	9.2	—	8.3	—
440	325	Royal	425	.....	18.77	—	6.6	—
123	95	Sedg Forbes 10p	107	−2	T5.0	2.1	7.0	10.0
104	82	Stenhouse	95	.....	4.52	2.5	7.1	7.0
624	474	Sun Alliance £1	616	.....	22.5	—	5.6	—
134	95	Sun Life 5p	129	−2	†3.48	—	4.1	—
938	615	Taisho Mar. EDR	637	−1	g010%	—	0.2	—
215	170	Trade Indemnity	215xd	.....	9.38	—	6.5	—
£27¼	£21⅞	Travelers $2.50	£21⅞	−¼	Q$1.68	—	3.9	—
270	225	Willis Faber	238	−2	10.05	2.2	6.5	10.7

LEISURE

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MINES

CENTRAL RAND

EASTERN RAND

FAR WEST RAND

O.F.S.

FINANCE

DIAMOND AND PLATINUM

CENTRAL AFRICAN

MINES—Continued

AUSTRALIAN

1979 High	Low	Stock	Price	+ or −	Div. Net	C'vr	Y'ld Gr's
14	10	Acmex	10	.....	—	—	—
171	129	Bougainville 50 Toea	130	−1	Q15c	1.0	7.1
140	86	BH South 50c	86	−6	—	—	—
540	340	Central Pacific	520	.....	—	—	—
318	226	Conzinc Riotinto 50c	226	−4	§Q10c	2.0	2.7
36	26	Cultus Pacific N.L.	26	.....	—	—	—
21½	14½	Endeavour 20c	14½	−½	—	—	—
98	62	G.M. Kalgoorlie $1	64	+1	—	—	—
42	28	Haoma Gold N.L.	28	.....	—	—	—
170	148	Hamptn Areas 5p	167	.....	φt3.55	2.0	3.2
56	25	Metals Ex. 50c	52	.....	—	—	—
275	197	M.I.M. Hldgs. 50c	212	−2	†Q9c	1.7	2.4
15	15	Minefields Expl.	15	.....	—	—	—
74	38	Mount Lyell 25c	54	−3	—	—	—
44	18	Newmetal 20c	20	.....	—	—	—
141	104	North B. Hill 50c	104	.....	†Q8c	1.3	4.4
22	11	Nth. Kalgurli	14	−1	—	—	—
40	24	Nth. West Mining	24	−1	—	—	—
137	90	Oakbridge $A1	92	.....	Q12c	1.9	7.6
37	22	Oilmin N. L.	31	−1	—	—	—
120	58	Pacific Copper	88	+2	—	—	—
£10¼	650	Pancont'l 25c	650	−25	—	—	—
25¾	17½	Paringa M&Ex. 5p	20	.....	—	—	—
510	330	Peko-Wallsend 50c	340	+10	Q15c	3.3	2.5
215	145	Southern Pacific	200	−5	—	—	—
188	139	Westn. Mining 50c	148	−4	†Q3c	0.7	1.1
11	9	Westmex	10	.....	—	—	—
65	50	Whim Creek 20c	55	−5	—	—	—

TINS

1979 High	Low	Stock	Price	+ or −	Div. Net	C'vr	Y'ld Gr's
30	23	Amal. Nigeria	29	.....	2.81	1.3	14.4
435	315	Ayer Hitam $M1	315	−5	Q300c	0.5	20.5
72	51	Beralt Tin	68	.....	4.0	φ	8.8
270	200	Berjuntai $M1	205	−5	†Q110c	1.0	12.9
160	145	Geevor	160	.....	H5.57	5.8	5.2
10	8	Gold & Base 12½p	9½	.....	—	—	—
365	295	Gopeng Cons.	365	.....	†18.0	1.4	7.5
360	295	Hongkong	360	.....	12.5	2.8	5.2
70	64	Idris 10p	69	.....	8.0	φ	1.7
14	9½	Jantar 12½p	14	.....	—	—	—
80	66	Kamunting $M0.50	79	−1	†Q12.5c	2.1	3.4
620	210	Killinghall $M1	335	.....	—	—	—
465	365	Malay Dredging $M1	390	−5	†175c	0.7	9.6
57	42	ΔPahang	42	−1	—	—	—
85	60	Pengkalen 10p	80	.....	4.5	1.2	8.4
240	205	Petaling $M1	205	−10	Q120c	1.3	12.6
85	73	Saint Piran	77	−1	†2.03	6.5	3.9
58	53	South Crofty 10p	58	.....	†4.19	2.0	10.8
210	170	South Kinta $M0.50	185	.....	†‡Q145c	0.6	16.8
405	285	Sthn Malayan $M1	340	−5	†Q190c	1.0	12.0
285	210	Sungei Besi $M1	285	−5	mQ65c	5.3	5.5
75	52	Supreme Corp. $M1	53	.....	ZQ10c	—	4.1
105	94	Tanjong 15p	102	.....	6.60	0.8	9.7
265	205	Tronoh $M1	235	−5	‡Q88c	1.6	‡

COPPER

1979 High	Low	Stock	Price	+ or −	Div. Net	C'vr	Y'ld Gr's
104	56	Messina R0.50	95	−1	—	—	—

MISCELLANEOUS

1979 High	Low	Stock	Price	+ or −	Div. Net	C'vr	Y'ld Gr's
74	54	Barymin	62	.....	—	—	—
13½	11	Burma Mines 17½p	11	.....	—	—	—
345	170	Cons. Murch. 10c	250	−10	—	—	—
410	340	Northgate C$1	360	+10	—	—	—
322	226	R.T.Z.	314	+4	11.5	φ	5.6
65	40	Sabina Inds. C$1	44	.....	—	—	—
880	712	Tara Expln. $1	725	+13	—	—	—

GOLDS EX-$ PREMIUM

London quotations for selected South African gold mining shares in U.S currency excluding the investment dollar premium. These prices are available only to non-UK residents.

1979 High	Low	Stock	Price	+ or −	Div. Net	C'vr	Y'ld Gr's
$13¾	$10½	Buffels R1	$12½	+⅝	Q190c	φ	17.5
$11¼	890c	East Drie R1	$10⅝	+⅜	Q115c	1.6	12.8
470c	350c	East Rand Prp. R1	425c	+15	Q10c	—	2.8
$24¼	$18¼	F.S. Geduld 50c	$23	+1	†Q315c	2.4	16.0
$14⅝	$11⅛	Pres. Brand 50c	$13¾	+¾	†Q150c	3.2	12.8
$14¼	$10¼	St. Helena R1	$11⅝	+¾	Q190c	1.4	18.8
595c	407c	Stilfontein 50c	560c	+30	Q66c	φ	13.6
$24¼	$18¾	Vaal Reefs 50c	$23¼	+¾	Q280c	2.7	13.8
$35¼	$28¾	West Drie R1	$31⅝	+½	†Q385c	1.7	14.0
$29¾	$22¾	West Hldgs. 50c	$29¾	+1⅛	†Q415c	1.4	16.3
$13	$10⅝	Western Deep R2	$11⅝	+¾	Q147½c	2.1	14.6

NOTES

Unless otherwise indicated, prices and net dividends are in pence and denominations are 25p. Estimated price/earnings ratios and covers are based on latest annual reports and accounts and, where possible, are updated on half-yearly figures. P/Es are calculated on the basis of net distribution; bracketed figures indicate 10 per cent. or more difference if calculated on "nil" distribution. Covers are based on "maximum" distribution. Yields are based on middle prices, are gross, adjusted to ACT of 33 per cent. and allow for value of declared distributions and rights. Securities with denominations other than sterling are quoted inclusive of the investment dollar premium.

- A Sterling denominated securities which include investment dollar premium.
- ● "Tap" Stock.
- * Highs and Lows marked thus have been adjusted to allow for rights issues for cash.
- † Interim since increased or resumed.
- ‡ Interim since reduced, passed or deferred.
- ‡‡ Tax-free to non-residents on application.
- φ Figures or report awaited.
- †† Unlisted security.
- ¢ Price at time of suspension.
- § Indicated dividend after pending scrip and/or rights issue: cover relates to previous dividends or forecasts.
- ◆ Merger bid or reorganisation in progress.
- ≡ Not comparable.
- ◆ Same interim: reduced final and/or reduced earnings indicated.
- § Forecast dividend; cover on earnings updated by latest interim statement.
- ‡ Cover allows for conversion of shares not now ranking for dividends or ranking only for restricted dividend.
- ★ Cover does not allow for shares which may also rank for dividend at a future date. No P/E ratio usually provided.
- ♥ Excluding a final dividend declaration.
- ‡ Regional price.
- ǁ No par value.

a Tax free. b Figures based on prospectus or other official estimate. c Cents. d Dividend rate paid or payable on part of capital; cover based on dividend on full capital. e Redemption yield. f Flat yield. g Assumed dividend and yield. h Assumed dividend and yield after scrip issue. j Payment from capital sources. k Kenya. m Interim higher than previous total. n Rights issue pending. q Earnings based on preliminary figures. s Dividend and yield exclude a special payment. t Indicated dividend: cover relates to previous dividend, P/E ratio based on latest annual earnings. u Forecast dividend: cover based on previous year's earnings. v Tax free up to 30p in the £. w Yield allows for currency clause. y Dividend and yield based on merger terms. z Dividend and yield include a special payment: Cover does not apply to special payment. A Net dividend and yield. B Preference dividend passed or deferred. C Canadian. E Minimum tender price. F Dividend and yield based on prospectus or other official estimates for 1979-80. G Assumed dividend and yield after pending scrip and/or rights issue. H Dividend and yield based on prospectus or other official estimates for 1978-79. K Figures based on prospectus or other official estimates for 1978. M Dividend and yield based on prospectus or other official estimates for 1978. N Dividend and yield based on prospectus or other official estimates for 1979. P Figures based on prospectus or other official estimates for 1978-79. Q Gross. T Figures assumed. Z Dividend total to date. §§ Yield based on assumption Treasury Bill Rate stay unchanged until maturity of stock.

Abbreviations: xd ex dividend; xc ex scrip issue; xr ex rights; xa ex all; xc ex capital distribution.

"Recent Issues" and "Rights" Page 42

This service is available to every Company dealt in on Stock Exchanges throughout the United Kingdom for a fee of £400 per annum for each security

REGIONAL MARKETS

The following is a selection of London quotations of shares previously listed only in regional markets. Prices of Irish issues, most of which are not officially listed in London, are as quoted on the Irish exchange.

Stock	Price	+ or −
Albany Inv. 20p	27½	.....
Ash Spinning	107	.....
Bertam	28	.....
Bdg'wtr. Est. 50p	404	+4
Clover Croft	28	.....
Craig & Rose £1	£10⅞	.....
Dyson (R. A.) A	35	.....
Ellis & McHdy	70	.....
Evered	28	+½
Fife Forge	54	.....
Finlay Pkg. 5p	21	.....
Graig Ship. £1	170	−5
Higsons Brew	87	.....
Holt (Jos) 25p	269	.....
I.O.M. Stm. £1	170	.....
Pearce (C. H.)	210	.....
Peel Mills	30	.....
Sheff. Refrshmt	82	.....
Sindall (Wm.)	142	.....

IRISH

Stock	Price	+ or −
Conv. 9% '80/82	£92⅛	.....
Alliance Gas	103	.....
Arnott	385	.....
Carroll (P.J.)	105	.....
Clondalkin	85xd	.....
Concrete Prods.	90	.....
Heiton (Hldgs.)	62	.....
Ins. Corp.	220	.....
Irish Ropes	105	.....
Jacob	40	.....
T.M.G.	245xd	.....
Unidare	85	.....

OPTIONS

3-month Call Rates

Industrials					
A. Brew	7	I.C.I.	20	Unilever	55
BOC Intl.	6	"Imps"	9	U.D.T.	4
B.S.R.	8	I.C.L.	40	Utd. Drapery	10
Babcock	14	Inveresk	7	Vickers	17
Barclays Bank	32	KCA	4	Woolworths	6½
Beecham	52	Ladbroke	18	**Property**	
Blue Circle	18	Legal & Gen.	14	Brit. Land	5
Boots	18	Lex Service	9	Cap. Counties	7
Bowaters	18	Lloyds Bank	25	E.P.	3½
B.A.T.	28	"Lofs"	5	Intreuropean	5
Brown (J.)	50	London Brick	7	Land Secs.	20
Burton 'A'	22	Lonrho	9	MEPC	15
Cadburys	5	Lucas Inds.	25	Peachey	13
Courtaulds	10	"Mams"	18	Samuel Props.	14
Debenhams	8	Mrks. & Spncr	9	Town & City	2
Distillers	21	Midland Bank	30	**Oils**	
Dunlop	6½	N.E.I.	14	Brit. Petroleum	70
Eagle Star	10	Nat. West. Bank	28	Burmah Oil	11
E.M.I.	14	Do. Warrants	15	Charterhall	3½
Gen. Accident	21	P & O Dfd.	8	Shell	48
Gen. Electric	32	Plessey	10	Ultramar	24
Glaxo	50	R.H.M.	5	**Mines**	
Grand Met.	12	Rank Org.	25	Charter Cons.	16
G.U.S. 'A'	30	Reed Intnl.	16	Cons. Gold	17
Guardian	24	Spillers	5½	Rio T. Zinc	27
G.K.N.	24	Tesco	6		
Hawker Sidd	22	Thorn	22		
House of Fraser	15	Trust Houses	27		
		Tube Invest.	30		

A selection of Options traded is given on the London Stock Exchange Report page

FINANCIAL TIMES

Friday April 20 1979

Tyres cut Dunlop's profit to £43m

BY NICK GARNETT AND BARRY RILEY

DUNLOP, WHICH yesterday closed its Speke tyre plant on Merseyside, has announced a profits setback in 1978 caused by serious losses in its European tyre operations.

Pre-tax profits of Dunlop Holdings fell from £57m to £43m last year on sales of nearly £1.5bn. After tax, minority interests and £18m of extraordinary charges, largely relating to the rationalisation of tyre operations, there was a loss of £7m attributable to shareholders.

But the board has decided to hold the dividend at a net 5.3p a share. Sir Campbell Fraser, the chairman, said yesterday that this decision had been made "taking into account the probable course of this year."

Operating losses on tyres were about £8m in the UK, £3m in West Germany and £1m in France. Allowing for the impact of financial charges, *total pre-tax losses in Dunlop's European tyre business* are estimated at £23m.

"We'll get that right. We have the determination to do it," *said Sir Campbell, claiming* that no tyre company in Europe made money last year.

Dunlop's non-tyre profits improved, and the group says that the prospects of these operations continue to be encouraging. However, the group has made provisions against rationalisation of sports goods production in the UK and against the closure of certain unprofitable EEC businesses.

Sir Campbell suggested that *the General Election was* delaying progress in Dunlop's application for state aid, understood to amount to £23m.

The great majority of the 2,400 workers at Speke who are losing their jobs have now accepted redundancy payments, but union officials said yesterday that 24-hour picketing of Speke and of Dunlop factories in the Midlands would be stepped up.

The guaranteed week has been suspended at the Fort Dunlop plant, Birmingham, because of the effects of picketing. The company warned that if the pickets were not removed *by today it* would almost certainly begin laying off staff. That could affect up to 2,500 production workers.

If disruptive activity *continued the jobs of other employees* would be put at risk the company said.

At Dunlop's Coventry plant more extensive picketing than at present is expected to be mounted.

Although the large numbers of Speke workers accepting redundancy terms has been a blow to the action committee trying to save the plant, unions said yesterday that they would try to shut down other plants if necessary in an attempt to negotiate with management on the unions' own plans for saving jobs within the company.

Dunlop products are being blacked at some ports and airports. The company says the effects of this has been patchy.

The unions yesterday issued a report of a Liverpool University team which has calculated that closure of Speke would cost the tax-payer £21m in terms of redundancy and social security payments, loss of income tax and other factors.

Tokyo talks remove last obstacle to UN shipping code

BY GILES MERRITT IN BRUSSELS

THE LAST obstacle to EEC member states' ratification of a United Nations shipping code *designed to guarantee developing* countries a 40 per cent share in the carriage of non-bulk cargoes to and *from their* ports has now been removed, according to European Commission officials.

Following talks in Tokyo this week between Mr. Richard Burke, the EEC Transport Commissioner, and Mr. T. Moriyama, Japan's Transport Minister, the commission is now confident that the UN Liner Shipping Code will shortly be accepted by the Community.

The Japanese Government is understood to have agreed to adopt an "equivalent" code by the end of this year, as well as satisfying Denmark's objections to EEC ratification of the code.

The Danish Government was concerned that Denmark's large Pacific cross-trading activity might be affected if Japan and the U.S. opposed the code.

Mr. Burke's recent visit to Washington and the Japanese undertaking are believed to have cleared the way for the code's acceptance by the EEC Council of Transport Ministers at the end of this month.

The EEC's adoption of the code will bring it into effect, although modified from the original, drafted in 1974.

EEC amendments are designed to exclude trade between developed countries from the code's provisions and to prevent EEC states from gaining shipping business with developing *countries* as each others' expense by citing the code.

The EEC agreement comes within weeks of the opening of the UN Conference on Trade and Development in Manila. Community officials hope that the EEC's acceptance of the code will defuse pressure from some developing countries for a similar code to cover bulk cargo, such as oil.

The key Japanese decision to adopt comparable cargo-sharing rules marks the probable end of four years of complex negotiations between EEC members on a common position.

In February this year, the Brussels Commission finally allayed British fears that the code would interfere with commercial market forces when it proposed a four-point plan which also satisfied Belgian and Italian objections.

The UN code is based on sharing cargo on fixed liner shipping routes, so that both the exporting and importing countries are entitled to carry up to 40 per cent of the trade, while the remaining 20 per cent is allocated to outsider or cross-trading countries.

It therefore guarantees the developing countries a 40 per cent share of their own liner cargo shipping and in some cases could give them access to otherwise closed shipping conferences.

THE LEX COLUMN

Why Dunlop needs a tyre repair kit

So Dunlop's dividend has escaped the fate of the Speke tyre plant, and the shares—up 1p to 71p—continue to yield 11.6 per cent. The payment is still covered 1½ times by historic cost earnings per share, but this is before some 13p a share of extraordinary charges, and Dunlop has bravely produced current cost figures along with the preliminary results, and these show an attributable loss. Yet the £8m cost of the dividend is only pocket money for a group which turned over £1½bn last *year and has £763m of capital* employed. And Dunlop is hinting strongly that the two-year slide which has taken pre-tax profits from £73.3m to £43m will be *halted in 1979*.

Most parts of the group outside European tyres have anyway been making fair progress. But the key to recovery remains the performance in European tyres where the total loss, after a reasonable attribution of financial charges, appears to have been around £23m in 1978.

Overall operating losses on the Continent eased by £2m or so last year, and there are hopes that the French operation will *benefit from price freedom while* distribution problems in Germany are being sorted out. In the UK there was a deterioration of some £11m at the operating level, but of course drastic surgery has already been carried out (Speke represented a third of UK tyre capacity) and although profitability probably cannot be restored this year Dunlop seems to have hopes for 1980. But much depends on how effectively the group can repair its labour relations.

Money supply

A fall of 0.8 per cent in sterling M3 in the March banking month means that over the last five months the money supply has been growing at an annualised rate of 10 per cent—bang in *the middle of the target range*. This looks reasonable enough but the underlying figures are as confusing as ever.

Index fell 4.2 to 530.2

The sizeable foreign inflows have not contaminated the money supply yet. In addition, the figures are helped by a rather surprising surplus for the Central Government—one benefit of the civil service strikes perhaps?

However, the real joker in the pack is bank lending. This is up by £830m and in the first *quarter of 1979* has been growing at an annualised rate of £9.4bn—more than twice the rate in the previous quarter. No one can be certain what is happening but judging by the way sales of certificates of tax deposit have shot up company treasurers may have been borrowing heavily to make a turn on the attractive rates offered. It all seems a bit self-defeating.

Rio Tinto-Zinc

Having been 16 per cent down at the half way stage Rio Tinto Zinc's pre-tax profits in the second half rose by 29 per cent with the result that full year profits are 5 per cent up at £284m. Helped by a lower tax charge earnings per share are up by a fifth at 39p, and the *dividend has been raised by 24 per* cent putting the shares at 314p, on a yield of 5½ per cent.

The second half recovery stems mainly from higher metal prices. *Zinc and lead prices* rose smartly in the second six months which helped Australian Mining and Smelting. Copper prices, by contrast, were on average about 5 per cent lower during 1978 but both Bougainville and Palabora increased their output by around 10 per cent. Meanwhile, the recession in the world steel industry forced Hammersley to reduce its production by 16 per cent.

The recent recovery in base *metal prices has been reflected* in the strong performance of the RTZ share price, which has risen by over 90 per cent from its 1978 low point compared with a 22 per cent rise in the market. RTZ seems fairly confident that the copper price is reasonably firmly based at current levels; consequently, 1979 should show a good growth in profits provided, of course, that there is no significant setback in the U.S. borax operations.

Blue Circle

British cement manufacturers had been looking forward to 1978 as a year in which there would at last be an improvement, however slight in demand, and Blue Circle duly pushed its home market tonnage up 2 per cent to 8.8m tonnes and held its market share at just under 60 per cent. But it actually made less money in this market than in the previous year—£16m, against £17½m, including exports and after central costs.

This is a serious disappointment for a group that should have profited strongly from every marginal tonne of output, and it held the overall pre-tax profits, before an exceptional pension contribution, to £51.6m, up only 7.7 per cent. Blue Circle blames the Price Commission, which delayed an increase of just over 5 per cent for three months, and a go-slow at three of its 16 plants, for *depriving it of almost £6m of* profits.

Fortunately, Blue Circle's overseas interests, particularly the Mexican and Australian associates and its consultancy work, went well and have made a good start to 1979. In the UK there have been price increases but the winter has taken a heavy toll: cement deliveries are 8 per cent down from the low base of the first quarter of 1978, itself a weak period, and 16 per cent below budget, so the six month figures may be grim. At 340p, down 5p yesterday, the shares trade at 9½ times declared earnings, which *are as usual* depressed by the heavy replacement cost depreciation, and yield 4.7 per cent.

French car-makers in counter to Ford plans for Lorraine

BY TERRY DODSWORTH IN PARIS

FRANCE'S two national motor companies, Renault and PSA Peugeot-Citroen, have responded to the competitive threat of a new Ford car assembly plant in Lorraine by presenting the Government plans of their own which would create 6,200 jobs.

The proposals, announced jointly by the French groups yesterday, add a new element to the tricky negotiations between the Government and the U.S.-based motor company.

They show the French car *makers closing ranks against* an outside competitor and in effect telling the Government that it must choose between Ford and themselves.

Although Renault and Peugeot would not comment directly yesterday, it is clear that if the Government goes ahead with its support for the Ford project their joint proposals will be abandoned.

The French motor manufacturers had claimed that Ford was being offered investment assistance up to three times higher than they themselves had been attracting, and that the new plant would give Ford the opportunity to undermine their strong position in the domestic market.

But some analysts have been arguing that the French industry needs more investment in rationalisation to face outside competition, particularly from the U.S.

Talks are now expected between the French companies and the authorities on the investment assistance they can expect for their developments in Lorraine.

Renault and Peugeot will almost certainly be arguing for additional help, on the scale of that proposed for Ford, because of the special conditions in Lorraine, the hardest-hit of the decaying steel-making areas.

With strikes and disruption continuing in the steel industry—between one-third and a half of production is being affected at present—the Government is under pressure to reach a quick decision.

While the Ford plan would create more jobs, about 8,000, the Renault and Peugeot proposals might appeal for other reasons.

They are *proposing four different installations*, which would demand high-level skills. This is the type of factory the Government has been intent on attracting *to Lorraine. The projects* are:

1—A joint affiliate of Renault and Peugeot to make pressurised aluminium castings.

2—A Peugeot-Citroen factory for component parts, to be built at Longwy, worst hit of the steel towns.

3—A *Renault piston manufacturing* plant at Thionville.

4—An expansion of the Peugeot factories at Metz and Tremery.

Prestcold takeover draft goes to NEB

BY JOHN ELLIOTT, INDUSTRIAL EDITOR

A DRAFT copy of a directive *instructing the National Enterprise* Board to take over BL's Prestcold refrigeration equipment subsidiary was sent by the Department of Industry yesterday to Sir Leslie Murphy, the Board's chairman.

But it now seems that the political row that has been building up during the past week over the future of Prestcold, and particularly over its two troubled factories at Hillington, Glasgow, may be defused.

This is because efforts have now been started to find a new compromise solution about the future of the company acceptable to both the Government and the NEB. If these attempts succeed a directive would be unnecessary.

In any case, the consultative period required under the Industry Act, 1975, before a formal directive can be issued is likely to extend beyond the General Election on May 3.

NEB members will consider the draft directive at the end *of next week*. More talks are likely to be needed thereafter, and in the meantime there will be separate discussions involving BL and one or two possible bidders for Prestcold, which is still for sale in spite of the Government's intervention.

One solution might be for the *NEB* to agree voluntarily to take Prestcold under its wing for a couple of months until a bidder is found and the future of the Hillington factories can be decided. The NEB would be supported with financial aid from the Scottish Office, which has already paid about £100,000 in temporary assistance to keep the factories open.

Meanwhile, another BL subsidiary, the Pressed Steel Fisher section of BL Components, yesterday considered buying product lines from the liquidator of the Kirkby Manufacturing and Engineering workers' co-operative on Merseyside.

More BL workers end strike

BY ARTHUR SMITH, MIDLANDS CORRESPONDENT

SUPPORT for the two-week strike by BL Cars craftsmen collapsed dramatically yesterday as workers voted at a series of mass meetings to return to work on Monday.

The decision to call off their action by more than 700 men at Rover factories throughout Birmingham and another 600 at the Castle Bromwich body plant dealt a severe blow to Mr. Roy Fraser, the unofficial strike leader.

Earlier in the day Mr. Fraser gained overwhelming support from 500 skilled men at his own factory, the body plant at Cowley, Oxford. But that vote was taken before news of defection at other plants and pressure *is likely at Cowley for another* meeting to reconsider the position.

Mr. Fraser accused the company of "duping" strikers back to work with "*mass propaganda*."

The strike, in pursuit of an immediate £90 a week wage and improved differentials for *craft workers, attracted initial* support from more than 3,000 of the company's 8,500 skilled men.

But Mr. Fraser's hope that other plants would join the dispute were dashed yesterday when stewards representing the 900 toolmakers at Longbridge rejected his overtures.

Mr. Michael Edwardes, the BL chairman, gave a warning on the eve of the strike that Mr. Fraser was "on a hiding to nothing". He insisted the company would not bring forward parity payments or concede separate bargaining rights.

Mr. Fraser's unofficial craft committe *has been fighting not* only the company but also the official union movement. Perhaps this helps to explain why production seems to have been little affected by the action. *In some plants output has gone* up.

Of the smaller plants which back Mr. Fraser, more than 100 workers at Rover, Cardiff, *voted yesterday* to end the strike. Skilled men are also drifting back to work at the tool and die plant at Dunstable.

Germans rate Mini as car with most faults

FINANCIAL TIMES REPORTER

BL'S MINI has been named as the car with the most faults in West Germany after tests of over 7m vehicles covering 77 models.

The tests, by the West German Technical Examination Association, covered frequency of "serious faults."

The Mini came bottom of *the list for cars of up to two* years old, two to four years old, and more than five years old.

Of the cars up to two years old the Toyota Carina 1600 was issued with the fewest failure slips for "serious faults" to be repaired before the car passed inspection. Next best was the Mercedes 200-280E. BL's Allegro was 71st out of the 77.

Among the cars inspected from three to four years old, the car with the fewest defects was the Ford Escort. The Alfa Romeo and Skoda were near the bottom of the chart.

In the final category the Audi 80 was the car with the fewest faults.

BL said yesterday: "One *of the major* causes of this low rating is the particular German requirements for braking systems.

"More than four years ago Germany became the first country in Europe to require a dual-line braking system. The Mini was never designed for this system.

"In fitting it we had technical problems, but we think these have been overcome."

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The Times

pared to accept the introduction of new technology at Times Newspapers, including staff cuts of more than 40 per cent. It would have allowed advertising staff to feed commercial and accounting information into the composing system, and the introduction of new technology equipment into the editorial department "solely for the purpose of scanning stories."

All composition work would have continued to be done by NGA members, and these *arrangements would have been* reviewed "without prior commitment on either side" after three years.

The talks failed because the NGA was not prepared to give a firm commitment eventually to allow other staff access to the composing system. Neither would it agree to operate the new system in the way desired by management for a three-month trial period.

If pickets are placed on the Times building, it would present a dilemma for the journalists and other staff who have signed new agreements with the company, and are continuing to be paid provided they report for work.

Journalists were told by Mr. William Rees Mogg, Times editor, yesterday, that discretion would be used *when* requiring staff to cross picket lines. Staff were under contract to turn up to work or not be paid, but he made it clear that the letter of the law would not be strictly interpreted.

A skeleton staff would be required, however, and the newsdesk would decide who to call into work on a daily basis. But they too would use their discretion.

There is also the possibility that picketing could spread to Thomson Regional Newspapers and other parts of the Thomson organisation, whatever the wishes of national union leaders.

Mr. Dixon emphasised last night that no picket action would be designed to disrupt production of the Guardian,

Weather

UK TODAY

SCATTERED showers over most parts especially in the *west, with some sunny intervals* in the east. Western Scotland and Ulster generally cloudy with occasional rain or showers. Max. 14C (57F).

London, E., N.E., S.E., S.W. Cent. S. Cent. N. England, Channel Isles, S. Wales, Midlands, Edinburgh, Aberdeen, Cent. Highlands

Bright or sunny intervals with isolated showers.

N.W. England, N. Wales, Isle of Man, Lake District

Showers, with some bright or sunny intervals.

Rest of Scotland, Ulster

Occasional rain or showers, heavy in places. Bright intervals.

● Outlook: Sunny intervals and showers in most parts, heavy at times in the north. Some rain in the south on Saturday.

WORLDWIDE

		Y'day midday °C	°F			Y'day midday °C	°F
Ajaccio	C	15	59	L. Plms.	S	20	68
Algiers	F	18	64	Lisbon	S	19	66
Amsdm.	S	11	52	Locarno	F	13	55
Athens	C	20	68	London	C	13	55
Bahrain	S	29	84	Luxmbg.	F	9	48
Barclna.	S	15	59	Madrid	S	13	55
Beirut	F	19	66	Majorca	C	14	57
Belfast	C	9	48	Malaga	S	18	64
Belgrd.	S	9	48	Malta	R	14	57
Berlin	F	7	45	M'chstr	C	11	52
Biarritz	C	12	54	Melbne.	C	15	59
Bmghm.	C	12	54	Milan	C	10	50
Blackpl.	C	10	50	Mntreal.	S	10	51
Bordx.	F	13	55	Moscow	F	0	32
Boulgn.	C	8	46	Munich	C	4	39
Bristol	C	12	54	Nairobi	S	21	69
Brussels	S	10	50	Naples	F	17	63
Budpst.	F	9	48	Nwcstl.	R	10	50
B. Aires	S	24	75	N. York	S	12	54
Cairo	S	30	86	Nice	C	16	61
Cardiff	C	10	50	Oporto	S	19	66
Cas'b'ca	S	19	66	Oslo	C	9	48
Cape T.	S	20	67	Paris	S	10	60
Chicago	S	15	59	Perth	C	21	70
Cologne	S	10	50	Prague	F	7	45
Cpnhgn.	C	5	41	Reykjvk.	R	7	45
Corfu	F	17	63	Rhodes	S	20	68
Dublin	R	11	52	Rio J'o	C	27	80
Dbrvnk.	S	16	61	Rome	R	11	52
Ednbgh.	C	12	54	Salzbrg.	F	8	46
Faro	S	21	70	Singapr.	S	32	88
Florence	F	14	57	Stcklm.	F	11	52
Frankft.	F	10	50	Strasbg.	F	10	50
Funchal	S	17	63	Sydney	C	15	59
Geneva	C	8	46	Tangier	S	19	66
Gibrltr.	S	18	64	Tehran	C	18	64
Glasgow	R	10	50	Tel Aviv	F	21	70
G'rnsey	C	9	48	Tenerife	C	14	57
Helsinki	S	2	36	Tokyo	C	12	54
H. Kong	C	27	80	Toronto	C	11	53
Innsbrk.	F	8	46	Tunis	C	14	57
Invrnss.	F	12	54	Valencia	S	18	64
Istanbul	R	7	45	Venice	S	10	50
Jersey	F	10	50	Vienna	F	7	45
Jo'burg	S	27	80	Warsaw	C	5	41

C—Cloudy. F—Fair. Fg—Fog. R—Rain. S—Sunny. Sl—Sleet. Sn—Snow.

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Thatcher priorities

grounds for self-congratulation. Under Labour there had been 1m or more unemployed since August, 1975.

In her Birmingham speech Mrs. Thatcher argued there was nothing inevitable about high unemployment, and the Tories would reverse the job-destroying effects of heavy income taxes, penal capital taxes and bad laws like the Employment Protection Act.

She went on to promise an increase in resources for the Armed Forces and the restoration of Service pay to the full amount recommended by the Pay Review Board.

Mr. Callaghan, in his major speech of the day in his Cardiff constituency, again stressed the role of the Labour Party in protecting the people from the harmful effects of change, in contrast to the more abrasive Tory policies.

"We believe the better way forward is through partnership and co-operation, in particular between Government and management and workers," he declared.

In an attempt to meet the Conservative challenge on taxes, the Prime Minister said Labour had cut income tax by over £5bn in the last three years. The cuts had been carefully framed to free low-paid workers from any income tax at all and to give most benefit to the average worker.

The other issue of the day was the remarks in a magazine article by Sir Robert Mark, former Metropolitan Police Commissioner, attacking both the Government and the trade unions.

Mr. Callaghan administered what amounted to a rebuke to Sir Robert for indulging in politics.

Mr. William Whitelaw, Tory deputy leader, suggested Sir Robert was entitled to make his comments, but he found many of them exaggerated.

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